



DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C. 20220

February 7, 2022

**MEMORANDUM FOR RAHUL PRABHAKAR**  
**DEPUTY ASSISTANT SECRETARY, CYBERSECURITY &**  
**CRITICAL INFRASTRUCTURE**

**FROM:** Brian J. Sonfield *BJS*  
Assistant General Counsel, General Law, Ethics & Regulation and  
Designated Agency Ethics Official

**SUBJECT:** Authorization to Participate in Certain Matters Involving Amazon  
Web Services under 5 C.F.R. § 2635.502

This memorandum authorizes you to participate in certain matters related to a disruption of service by Amazon Web Services, Inc. (AWS).

**Background**

You started at Treasury as Deputy Assistant Secretary for Cybersecurity and Critical Infrastructure on July 19, 2021. Your position resides in the Office of Cybersecurity and Critical Infrastructure Protection (OCCIP) within the Office of Domestic Finance. OCCIP generally coordinates the Department's efforts to enhance the security and resilience of the financial services sector's critical infrastructure and to reduce operational risk. This includes work with financial sector companies, industry groups, and government partners to share information concerning cybersecurity and physical threats and vulnerabilities, encourage the use of best practices, and respond to and recover from significant incidents. Specifically, you have direct responsibility for OCCIP and policy matters relating to the development of national and international cybersecurity strategy and policy related to the critical infrastructure protection and resilience of the financial services sector, and related bilateral and multilateral agreements for Treasury and the U.S. Government.

Prior to joining Treasury, you were employed at Amazon Web Services, Inc. as a Principal Industry Specialist. There, you were generally responsible for engaging on security and compliance matters with AWS customers and public-sector entities worldwide. You terminated your employment with AWS on June 25, 2021. Due to your former employment, you have a "covered relationship" with Amazon, until one year following termination of your employment. 5 C.F.R. § 2635.502(b)(1)(iv).

Subpart E of the Standards of Conduct contains provisions intended to ensure that an employee takes appropriate steps to avoid an appearance of absence of impartiality in the performance of official duties. The impartiality regulation prohibits you from participating in a "particular matter involving specific parties"<sup>1</sup> when "a person with whom you have a covered relationship

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<sup>1</sup> A particular matter involving specific parties "typically involves a specific proceeding affecting the legal rights of the parties, or an isolatable transaction or related set of transactions between identified parties." 5 C.F.R. § 2640.102(l). Examples of particular matters involving specific parties include contracts, grants, licenses, product approval applications, litigation, and investigations.

is or represents a party” to the matter, and the circumstances would cause a reasonable person with knowledge of the relevant facts to question your impartiality in the matter.<sup>2</sup> Therefore, absent authorization (or a determination that the reasonable person standard is inapplicable) you would not be permitted to participate in a particular matter where AWS is a party or party representative. The impartiality regulation also contains a “catch-all” provision that extends to circumstances other than those involving a covered relationship with a party or representative of a party in a specific party matter that would raise a question regarding impartiality.<sup>3</sup>

A critical OCCIP function is to assess the risks presented by financial institutions’ use of third-party services providers to the security and resiliency of the U.S. financial sector. AWS is one of three major cloud services providers used by financial institutions. (b)(7)(E)

(b)(7)(E)

(b)(7)(E) Treasury may need to engage directly with AWS, or with third parties regarding their use of AWS, regarding these events or similar incidents that might occur. Accordingly, for the reasons set forth below, we are issuing you this limited authorization to work on matters related to an AWS incident that implicates security and resiliency issues for the financial services sector.

### **Analysis**

Under section 2635.502(d), if an agency designee determines that an employee’s impartiality is likely to be questioned, “the agency designee may authorize the employee to participate in the matter based on a determination, made in light of all relevant circumstances, that the interest of the Government in the employee’s participation outweighs the concern that a reasonable person may question the integrity of the agency’s programs and operations.” Factors that may be taken into consideration include:

- 1) the nature of the relationship involved;
- 2) the effect that resolution of the matter would have on the financial interests of the person involved in the relationship;
- 3) the nature and importance of the employee’s role in the matter;
- 4) the sensitivity of the matter;
- 5) the difficulty of reassigning the matter to another employee; and
- 6) adjustments that may be made in the employee’s duties that would reduce or eliminate the likelihood that a reasonable person would question the employee’s impartiality. *Id.* at § 2635.502(d).

In consideration of these factors, I authorize your participation in matters relating to AWS outages or other vulnerabilities related to AWS services that may have an impact on the security or resiliency of the financial services sector’s critical infrastructure. I also authorize you to participate in particular matters of general applicability focused on the cloud services sector to the extent they may raise issues of impartiality. This authorization does not permit you to work

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<sup>2</sup> 5 C.F.R. § 2635.502(a).

<sup>3</sup> “An employee who is concerned that circumstances other than those specifically described in this section would raise a question regarding his impartiality should use the process described in this section to determine whether he should or should not participate in a particular matter.” 5 C.F.R. § 2635.502(a)(2).

on other particular matters where AWS is a party or party representative. This authorization is based on the following:

- You do not have an equity interest in Amazon.
- Financial institutions' continued reliance on cloud services providers, including AWS, requires careful analysis by OCCIP of: (1) how cloud services providers secure their platforms; (2) how financial institutions manage the security of their cloud environments; (3) the root cause of cloud services provider incidents that impact financial institutions; (4) cloud services providers' and financial institutions' response to and remediation of security and resiliency issues; (5) the sector-wide impact of cloud services provider incidents; (6) and associated policy and standards governing cloud services providers and financial institutions' use of cloud services.
- Recent partial outages of AWS services have not significantly impacted the financial sector. However, a more severe outage could disrupt the operations of financial institutions and may require Treasury to directly engage with AWS to understand AWS's response and recovery efforts. This understanding will inform OCCIP's assessment of sector impact and policy recommendations provided to Treasury leadership, the White House, and other federal agencies.
- You bring a depth of experience to your Deputy Assistant Secretary role given your prior experience at Treasury on developing cybersecurity policy and at AWS developing cybersecurity and compliance products and programs. Currently, you are the most senior political appointee in OCCIP charged with overseeing the implementation of Treasury's national and international cybersecurity policies and strategies. You bring a distinctive skill set to Treasury, and reassignment of this work to another employee would be inefficient and deprive the Department of your expertise.

After weighing the above factors, I grant this authorization to mitigate any appearance concerns with your participation in matters focused on the cloud services sector (including chairing or participating in a FBIIC Cloud Working Group) and matters stemming from any AWS service interruption or vulnerability that potentially impacts the security or resiliency of the financial services sector's critical infrastructure. The interest of the Government in your participation outweighs any concern that a reasonable person might question your impartiality in the administration of these matters.