



A Publication of the
Office of Government Ethics
for the Executive Branch

Summer 1996 Vol. 13 No. 2

Government Ethics Newsgram

Substantial Changes Made in Procurement Integrity Law

The procurement integrity provisions, located at 41 U.S.C. § 423, will dramatically change because of the Federal Acquisition Reform Act of 1996 included in the Department of Defense Authorization Act for Fiscal Year 1996. President Clinton signed this into law on February 10 of this year. The new provisions will go into effect on January 1, 1997, or on an earlier date specified in final implementing regulations to be published in the Federal Acquisition Regulation. Until then the current procurement integrity provisions still continue to apply to agency procurements. OGE does not have any responsibility in the issuance of these Governmentwide regulations.

The new procurement law will eliminate current prohibitions on asking for or accepting promises of future employment or business opportunities; remove prohibitions on asking for or accepting gifts; abolish current certification requirements by procurement officials and contractors; substantially change post-employment restrictions; and abolish the special procurement training requirements.

Under the new law, an official or a former official would be prohibited from knowingly disclosing contractor bid and proposal information or source selection information before the award of a Government contract. Similarly, there is a prohibition on obtaining such procurement information before the award of a Government contract.

Until this change, the current procurement integrity provisions still continue to apply to agency procurements.

There are new requirements for procurement officers who contact or are contacted by bidders or offerors regarding non-Federal employment. Under the new law, any official who personally and substantially participates in an agency procurement over \$100,000 must report in writing to his supervisor and the designated agency ethics official any contacts with or by a bidder or offeror regarding possible non-Federal employment. The official making the report must either reject the possibility of non-Federal employment, or recuse himself from further personal and substantial participation in the procurement until the agency authorizes the official to resume participation. Agencies must keep contact reports for two years after submission and make them available to the public unless otherwise exempted from disclosure by law.

Former officials are prohibited by the new law from accepting compensation from a contractor for serving as an employee,

officer, director, or consultant of the contractor for one year after:

- having served, at the time of selection of the contractor or the award of a contract, as procuring contracting officer, the source selection authority, a member of the source selection evaluation board, or the chief of a financial or technical evaluation team on a contract over \$10,000,000;
- having served as the program manager, deputy program manager, or administrative contracting officer for a contract over \$10,000,000; or
- having personally made the agency decision to:
 - award a contract, subcontract, modification, task order, or delivery order worth over \$10,000,000 to that contractor;
 - establish overhead or other rates valued over \$10,000,000 for that contractor;
 - issue contract payments over \$10,000,000; or
 - to pay or settle a claim over \$10,000,000 with that contractor.

Violation of the act can lead to criminal and civil penalties and administrative actions by the agency. There are criminal penalties of up to five years' imprisonment for violation of the provisions concerning disclosing or obtaining procurement information if it is done for the purpose of either exchanging information for anything of value, or obtaining or giving anyone a competitive advantage in the award of a Federal agency procurement contract.

The Attorney General is authorized to seek civil penalties of up to \$50,000 for each
Continued on page 3 column 1

inside:

Director's Column	2
Organizational Changes at OGE	2
Opinions Available	3
Procurement Integrity	3
Ethics News Briefs	3
1996 Annual Ethics Conference	3
Staff Directory	4
Education and Training at SEC	6
New Confidential Disclosure Form	6
Satellite Broadcasts	6
Ethics Information Center	7
TEBBS	7
SF 278 Reviewer's Guide Updated	7
Who's Out There?	7
Readership Survey	8

Director's Column

Soon we will be meeting with our fellow ethics practitioners in the executive branch at the Sixth Annual Ethics Conference in Philadelphia. It is an event that gives us an opportunity to renew our sense of community and commitment to a common purpose. This year's conference will explore the theme "Transitions and Transformations."

By using the word "transition" in an election year, I don't mean to suggest that I have any Nostradamus-like ability to predict the future. Regardless of the outcome in the fall, we will all face a transition as the current four-year term draws to a close and brings with it the customary changes in Government. It is a time when we can expect to face unique issues that we can work to resolve together.



As we are all keenly aware, this is also a time of transformation in our Government and that means a transformation in our ethics program. We all face budget problems. We all are learning how to do as well or better with less. So I encourage you to look at this transforming time as an opportunity to be innovative and creative in your thinking so that we can maintain a standard of excellence in our ethics program.

Finally, there is a transition at OGE that should be recognized. I want to pay tribute on behalf of the entire ethics community to Don Campbell, who retired from Federal service on May 31. Working in his quiet but very effective way, Don contributed immensely to the ethics program. I miss his wise counsel and judgment.

Organizational Changes Within OGE

In the wake of Don Campbell's retirement, several organizational changes have been made at OGE. Gary Davis became Deputy Director and will retain his position as General Counsel. Jane Ley became Deputy Director for Government Affairs and Special Projects in June. Jane will be primarily responsible for all legislative, Congressional and White House matters involving OGE and its programs. Marilyn Glynn became Deputy General Counsel.

Several changes were also made to OGE's organizational structure in order to place increased emphasis on our services to Federal agency ethics programs. These changes will enable our desk officers and other staff members to put more of their experience into OGE's educational projects and expand the range of products that we make available to you.

The Office of Program Assistance and Review, which will direct these efforts, has been renamed the Office of Agency Programs. This office will provide overall direction to a new Education and Program Services Division, a new Financial Disclosure Division, and to the current Program Review Division. Jack Covaleski

will direct this office as the Associate Director, Office of Agency Programs.

The former Office of Education and the former Program Assistance Division have been merged into the new Education and Program Services Division. Barbara Mullen-Roth will provide overall direction for this newly merged division, retaining her position as Associate Director for Education and taking on additional responsibility as Chief of Program Services. Three Project Managers will serve under her to oversee these responsibilities: desk officer services, ethics training course development, and surveys and special studies. A team concept will be used to develop educational materials.

The new Financial Disclosure Division, managed by Tom Zorn, will put increased emphasis on our annual and termination financial disclosure systems for Presidential appointees confirmed by the Senate. This division will also manage the Presidential appointee ethics agreement system which will be revised in the near future.

The structure of the Program Review Division will remain the same and will continue to be managed by Ed Pratt.

Government Ethics Newsgram

The **Government Ethics Newsgram** is published by the U.S. Office of Government Ethics, 1201 New York Avenue, NW., Suite 500, Washington, DC 20005-3917. Telephone 202-208-8000. TDD 202-208-8025. Fax 202-208-8039.

Editor: Jo Lee Hazelwood.

Assistant Editor: Donna Cencer.

Contributing Editors: Laura Lanigan; Victoria R. May; James O'Sullivan; Cecilia Owens.

Publication Coordinator: JoAnn Wood.

We welcome any news and information related to Government ethics which you might wish to bring to the attention of OGE and the executive agencies as well as your candid critiques and suggestions. Quoting or reprinting materials contained in this publication is strongly encouraged and may be done without seeking OGE permission.

The Director of the Office of Government Ethics has determined that the publication of this periodical is necessary to the transaction of the public business of OGE, as required by law.

Informal Advisory Opinions Available

A limited number of the current issue of the Informal Advisory Opinions Vol. III update 1994 (with binders) is available at OGE. This is the same item described in the September 11, 1995, DAEOgram (DO-95-033). The Opinions currently cost \$16.00 if purchased through the Government Printing Office, Superintendent of Documents. For a limited time only, the remaining copies are available at OGE free of cost. You must make the arrangements for pickup. Call Elaine Newton, 202-208-8000, extension 1137, for assistance.

Procurement Integrity

continued from page 1

violation of the prohibitions on disclosing or obtaining procurement information, the reporting and recusal requirements when procurement officers contact or are contacted regarding non-Federal employment, and the post-employment prohibitions. In addition, the Attorney General can seek twice the amount of compensation which an individual received or offered for the prohibited conduct. The Attorney General can seek a civil penalty of up to \$500,000 against organizations for each violation plus twice the amount of compensation an organization offered or received for the prohibited conduct.

Moreover, an agency can take certain administrative actions. It can cancel the procurement; rescind the contract and recover the amount expended in addition to the civil penalty; initiate suspension or debarment proceedings; or initiate adverse personnel action.

Finally, a number of statutes regarding such matters as conflicts of interest, procurement, post-employment restrictions and reporting requirements that were applicable mostly to Department of Defense, Department of Energy, and Department of the Interior employees were repealed effective February 10, 1996. These statutes include: 10 U.S.C. §§ 2397, 2397a, 2397b, 2397c, 15 U.S.C. § 789, 18 U.S.C. § 281, 41 U.S.C. § 428, 42 U.S.C. § 5816a, 42 U.S.C. § 5918, 42 U.S.C. § 6392, and 42 U.S.C. §§ 7211, 7212, and 7218.

Ethics News Briefs

Post-Employment Waiver Extension:

OGE has granted an extension, through October 1996 (or until passage of any corrective legislation, if earlier), of the post-Government employment waiver from certain "senior employee" restrictions that it granted last January to Senior Executive Service level 4 and equivalently compensated executive branch positions. OGE decided to extend the waiver, which was scheduled to expire at the end of June 1996, because of pending possible legislative amendment to grant permanent relief. See 61 *Federal Register* 28908-28910 (June 6, 1996), superseding 61 *Federal Register* 14326-14328 (April 1, 1996).

Supplemental Agency Ethics Regulations Update:

With OGE's concurrence and co-signature, the TVA issued, for codification in title 5 of the Code of Federal Regulations (C.F.R.), final rule supplemental standards of ethical conduct for its employees (in addition to the executive branchwide standards at 5 C.F.R. part 2635). The TVA also replaced its residual standards which have been superseded with a cross-reference to the new provisions and reissued certain un superseded provisions. See 61 *Federal Register* 20117-20119 (May 6, 1996).

Note: Pursuant to a special statutory provision, OGE also concurred in a contractor conflicts of interest interim final regulation of the Federal Deposit Insurance Corporation. See 61 *Federal Register* 9590-9599 (March 11, 1996).

Paperwork Notices:

OGE has published its advance paperwork notice, for three-year renewal without change, of the Standard Form 278 Executive Branch Personnel Public Financial Disclosure Report. See 61 *Federal Register* 8941-8942 (March 6, 1996). OGE also has published its "second round" notice of the submission to the Office of Management and Budget for three-year Paperwork Reduction Act approval of a slightly modified OGE Form 201, which is used for access to SF 278s and other covered records. See 61 *Federal Register* 24796-24798 (May 16, 1996).

Miscellaneous:

OGE's Spring 1996 semiannual regulatory agenda has been published as part of the newly renamed executive branchwide "Unified Agenda of Federal Regulatory and Deregulatory Actions." See 61 *Federal Register* 23794-23799 (part XXXIV) (May 13, 1996).

1996 Annual Ethics Conference

The 1996 U.S. Government Ethics Conference will be held September 9-12, 1996, at the Adam's Mark Hotel in Philadelphia, PA. The 2-1/2 day conference will begin with registration on Monday afternoon September 9. The conference program begins on Tuesday morning, September 10, and concludes at noon on Thursday, September 12.

This year's theme will be "Transitions and Transformations." As in the past, DAEOs nominated all registrants for their agencies. Registrants must make their own lodging reservations with the Adam's Mark Hotel (215-581-5000). Registration deadline: Friday, August 9, 1996. For information about agency nominations, please contact your DAEO. For other conference information, call OGE's Conference Coordinator, Sheila Powers at 202-208-8000, extension 1104.



U.S. Office of Government Ethics

Office of the Director	Extension
Potts, Stephen D., Director	1101
Davis, F. Gary, Deputy Director	1103
Ley, Jane S., Deputy Director for Government Affairs & Special Projects	1105
Gilman, Stuart C., Special Assistant to the Director	1114
Papinchak, Janet R., Executive Secretary	1127

Office of Administration	OA Fax No: 202-208-8037
Lammon, Robert (Bob) E., Associate Director	1131
Eisenman, Yale, Information Receptionist	1100
Jump, Donald H., Budget Officer	1132
Kolb, Mary (Molly), Personnel Officer	1126
May, Victoria (Vicki) R., Administrative Officer	1149
Rosier, Lisa C., Purchasing Agent	1201
Torres, Rosemary Z., Personnel & Administrative Technician	1226
Varosy, Zsuzsa, Administrative Office Assistant	1159

Office of Information Resources Management	OIRM FAX No: 202-208-8037
Parle, James (Jim) V., Chief	1113
Cahall, Laura P., Information Management Specialist	1213
Dorward, David (Dave) E., Computer Specialist	1186
Lowery, Danny, Computer Specialist	1112
Wood, JoAnn E., Visual Information Specialist	1121

Office of General Counsel & Legal Policy	OGC FAX No: 202-208-8037
Davis, F. Gary, General Counsel	1103
Glynn, Marilyn, Deputy General Counsel	1116
Smith, Norman B., Senior Associate General Counsel	1109
Bennett, Marilyn, Supervisory Legal Administrative Specialist	1129
Bitler, Sandra (Sandi) S., Government Ethics Specialist	1124
Cobb, Robert (Moose) W., Attorney-Advisor	1177
Condray, John C., Attorney-Advisor	1152
Davis, Gail O., Legal Technician	1185
Dugan, M. Gale, Congressional Liaison Officer	1200
Eirinberg, Julia (Julie), Associate General Counsel	1108
Gressman, William (Bill) E., Associate General Counsel	1110
Kim, Judith (Judy) A., Attorney-Advisor	1198
Marshall, Veda R., Correspondence Control Assistant	1125
McCleary, Stephen (Steve) J., Associate General Counsel	1153
Newton, Elaine, Paralegal Specialist	1137
O'Sullivan, James (Jim) P., Associate General Counsel	1203
Richman, Kay L., Associate General Counsel	1202
Rick, Stuart D., Associate General Counsel	1230
Roell, Janet K., Attorney-Advisor	1119
Salamone, Vincent J., Attorney-Advisor	1134
Sigrist, Heather N., Attorney-Advisor	1219
Smith, G. Sid, Associate General Counsel	1107



Phone Number: 202-208-8000
TEBBS: 202-208-8030

Office of Agency Programs

OAP FAX No: 202-208-8039

Covaleski, Jack, Associate Director 1120
Hall, Sonya Y., Secretary 1138

Education & Program Services Division

EPSD FAX No: 202-208-8039

Mullen-Roth, Barbara A., Associate Director 1133
Curtis, Rhonda A., Secretary 1231
Owens, Cecilia F., Senior Government Ethics Specialist 1118
Korwin, Michael (Mike) J., Senior Desk Officer 1140
Williams, Donald A., Senior Desk Officer 1151
Anderson, Patricia, Desk Officer 1136
Barber, Joann R., Desk Officer 1117
Bennett, Arthur, Desk Officer 1172
Cencer, Donna M., Desk Officer 1188
Deener, Lisa R., Desk Officer 1225
Ewell, Angelique (Angel) N., Educational Assistant 1111
Hazelwood, Jo Lee, Instructional Systems Specialist 1233
Kane-Piasecki, Cheryl L., Desk Officer 1182
King, Tonda G., Government Ethics Specialist 1229
McKinzy, Mary (Sandy) L., Management Assistant 1212
Powers, Sheila A., Management Analyst 1104

Financial Disclosure Division

FDD FAX No: 202-208-8038

Zorn, Thomas (Tom) F., Chief 1123
Clark, Grace, Government Ethics Specialist 1170
Shelton, Denise M., Government Ethics Assistant 1139
Shifrin, Michael (Mike) N., Desk Officer 1155

Program Disclosure Division

PRD FAX No: 202-208-8038

Pratt, Edward W., Chief 1115
Houston, Irene F.D., Secretary 1205
Chaffinch, Gerald (Jerry), Senior Management Analyst 1157
Berry, Robert (Mike), Management Analyst 1215
Chapman, Douglas, Management Analyst 1209
Christopher, Dale (Chip) A., Management Analyst 1130
Cranisky, Ilene F., Management Analyst 1218
Donohue, Sean M., Management Analyst 1217
Harris, Peggy, Management Analyst 1178
Hoff, Jeanette M., Management Analyst 1214
Hoffer, Phyllis A., Management Analyst 1184
Honeck, Lynn A., Management Analyst 1176
Kraus, Charles (Chuck) R., Management Analyst 1154
Lanigan, Laura A., Management Analyst 1232
Lyons, Laurie Brooks, Management Analyst 1208
Macon, James W., Management Analyst 1204
Russell, Kathleen (Kathy), Management Analyst 1122

Staff Directory

Education and Training Program

In a continuing effort to share with the ethics community effective aspects of ethics programs identified by the Program Review Division (PRD), we highlight the education and training program at the Securities and Exchange Commission (SEC). SEC's 2,500 employees are assigned either to headquarters or one of 12 regional or district offices.

The initial agency ethics orientation for SEC headquarters' employees is conducted by ethics officials at new employee orientation sessions held approximately every two weeks. The ethics officials alert new employees to ethics issues that have arisen at SEC and provide them with a copy of SEC's *Employee Ethics Handbook* (Handbook). New employees at regional and district offices are also provided a copy of the Handbook, a looseleaf binder that includes copies of the executive branchwide standards of conduct, explanatory memoranda and materials concerning ethics rules, a list of ethics officials, and sample forms. All employees must certify that they have spent one hour of official time reviewing the materials.



In the past, SEC produced a videotape to use in annual training sessions. The annual training, including the videotape, was designed to concentrate primarily on a single topic. Employees receiving training annually consider a new topic in detail rather than attending training sessions year after year on a wide range of the topics.

SEC held additional training sessions at headquarters and regional offices, including a session for division and field

ethics officials, covering specific topics such as gifts, post employment, and financial interests.

Periodically, SEC ethics officials distribute memoranda to headquarters, regional, and district employees on ethics matters; these documents are intended to supplement or update the Handbook. Ethics officials also publish a column in the SEC employees' newsletter, covering issues such as financial disclosure, conflicts of interest, and gifts. Departing employees, both at headquarters and in the field, are provided a memorandum concerning post-employment rules and issues.

This program provides many opportunities for SEC employees to obtain up-to-date ethics information.

Successful Satellite Broadcasts

OGE in coordination with the Government Alliance for Training and Education (GATE) conducted two 1-hour satellite broadcasts on April 30, 1996. The broadcasts, designed to meet the annual ethics training requirement, focused on seeking employment and post-employment issues. At a recent GATE meeting, it was reported that over 700 downlink sites were active with over 7,000 viewers present from at least 29 agencies in the Federal Government. Over \$100,000 in cost avoidance was realized in training preparation, travel, and presentation expenses with the viewing of the live satellite broadcast.

As a service to the agencies, OGE prepared a videotape of the broadcasts and made it available to the agencies. Over 750 videotapes were ordered by the June 1 deadline. An estimated 30,000 additional employees will fulfill their annual ethics training requirement by viewing the videotape.

New Confidential Financial Disclosure Form Distributed

On February 27, 1996, (DAEOgram DO-96-011) OGE distributed the new OGE Form 450, Confidential Financial Disclosure Form, which replaces the green SF 450. Each agency may reproduce its own supplies of this form and may begin using it immediately for employees whose positions require the filing of a confidential financial disclosure report. Agencies may, however, use up stocks of the green SF 450 first. They may also continue to use the existing optional electronic SF 450, which allows filers to prepare their report on a computer, until an electronic version of the new OGE Form 450 is distributed later this year.

The primary purpose of revising this form was to incorporate the 1993 regulatory change that eliminated reporting of deposit accounts, money market funds and accounts, and U.S. Government obligations and securities on confidential reports. The new form also rearranges and expands instructions, gives examples of how to disclose various interests, makes minor changes to the personal data sections, provides more space for Part I, and simplifies the reporting of excepted investment funds. Preliminary drafts were circulated to the ethics community in 1995 (DAEOgram DO-95-020), and OGE made clarifications for the final version based on comments received.

Ethics Information Center Saves You Time and Money

Practitioners can use the facilities and resources of the Ethics Information Center (Center) to save time and money in developing ethics training materials. For example, "The Ethics Challenge," a new game recently introduced by OGE, is now available. Designed for classroom training, "The Ethics Challenge" is an interactive answer-and-question exercise patterned after a popular television game show. Ethics categories cover standards of conduct topics such as gifts between employees, seeking and post employment, and misuse of position. Copies of the answers and questions, enlargements of the answers for slides, and suggestions for the playing board used in the classroom are available at the Center.

OGE's reference manual, *Public Financial Disclosure: A Reviewer's Reference* is also available at the Center. The Adobe Acrobat format for DOS or Windows allows the user to view the entire manual, including graphics, on the computer screen, conduct word searches of the contents, and print a hard copy. The only software application required is the

Adobe Acrobat Reader, available free at the Center. The requestor must provide the diskettes needed to copy the reference manual and Adobe Acrobat Reader.

You may obtain a complete list of the Center's inventory on computer diskette. With it, you may determine beforehand what materials might assist you in developing your own training.

The Center accepts new materials continually. Please send your new materials to:

Tonda King
The Ethics Information Center
Office of Government Ethics
Suite 500
1201 New York Avenue, NW.
Washington, DC 20005-3917

If you would like to visit the Center, please make an appointment. Call either Tonda King or Sandy McKinzy at 202-208-8000, extensions 1229 or 1212, respectively. The Center operates Monday through Friday from 8:30 a.m. to 4:00 p.m.

Missed recent issues of the Government Ethics **Newsgram**? Get them quickly on **TEBBS!** Call 202-208-8030 for public access.



SF 278 Reviewer's Guide Updated

In March 1994, OGE published a loose-leaf manual entitled *Public Financial Disclosure: A Reviewer's Reference*. A chapter on investments was added by change 1 in August 1995.

Recently, change 2 was completed and distributed by DAEOgram of March 27, 1996 (DO-96-015). This change revised the manual's glossary and index. It also made several administrative or stylistic changes and provided updates. For example, change 2 referenced the 1994 revision to the SF 278, and noted the 1995 statutory changes to the top categories of value. It also revised the discussion of the honoraria ban, included the current pay scale and new Senate committee chairmen, and added more references to OGE opinions.

Reviewers of public financial disclosure reports who have a copy of the *Reviewer's Reference* but still need changes 1 or 2 should see their DAEO who is authorized to reproduce copies locally. You may also contact Tonda King at the Ethics Information Center, 202-208-8000, extension 1229, for a diskette containing the changes.

For reviewers who would like to obtain the entire *Reviewer's Reference* (basic manual with changes 1 and 2), the manual is available for purchase from the Government Printing Office bookstores and through the Superintendent of Documents. You may get an electronic copy at OGE (see Ethics Information Center article, above, in this **Government Ethics Newsgram**).

Who's Out There? Let Us Know

The Government Ethics Newsgram staff is naturally interested in the readership of our Newsgram. In pursuit of that information and in an effort to focus our subject matter, manage our distribution system, and maintain a cost-effective publication, we have included a Readership Survey on page 8. Take time to complete and return the survey by September 15, 1996, updating the name and/or address on the mailing label as necessary. If you return the form by FAX, be sure to include the mailing label so we may confirm your name and address.

Readership Survey

Government

Private Sector

- I still want to receive the **Government Ethics Newsgram**.
- Please stop sending the **Government Ethics Newsgram**.

- I read the **Government Ethics Newsgram** and file it.
- I read the **Government Ethics Newsgram** and pass it on to _____
- I make additional copies and distribute them to _____

I want to read more in the **Government Ethics Newsgram** about:

Comments: _____

Mail this survey
by September 15, 1996, to:
 U.S. Office of Government Ethics
 ATTN: Jo Lee Hazelwood
 1201 New York Ave., NW., Suite 500
 Washington, DC 20005-3917
or FAX to: 202-208-8039

Office of Government Ethics
 1201 New York Avenue, NW, Suite 500
 Washington, DC 20005-3917

 Official Business
 Penalty for Private Use, \$300

Bulk Rate Postage & Fees Paid Office of Government Ethics Permit No. G-726
