

**PART 6401—SUPPLEMENTAL STANDARDS OF ETHICAL CONDUCT FOR EMPLOYEES OF THE ENVIRONMENTAL PROTECTION AGENCY**

Sec.

6401.101 General.

6401.102 Prohibited financial interests.

6401.103 Prior approval for outside employment.

AUTHORITY: 5 U.S.C. 7301; 5 U.S.C. App. (Ethics in Government Act of 1978); 42 U.S.C. 203(c)(1); E.O. 12674, 54 FR 15159, 3 CFR, 1989 Comp., p. 215, as modified by E.O. 12731, 55 FR 42547, 3 CFR, 1990 Comp., p. 306; 5 CFR 2635.105, 2635.403(a), 2635.802(a), 2635.803.

SOURCE: 61 FR 40502, Aug. 2, 1996, unless otherwise noted.

**§ 6401.101 General.**

In accordance with 5 CFR 2635.105, the regulations in this part apply to employees of the Environmental Protection Agency and supplement the Standards of Ethical Conduct for Employees of the Executive Branch contained in 5 CFR part 2635.

**§ 6401.102 Prohibited financial interests.**

(a) The following employees are prohibited from holding the types of financial interests described in this section:

(1) Employees in the Office of Mobile Sources are prohibited from having outside employment with or holding stock or any other financial interest in manufacturers of automobiles and mobile source pollution control equipment.

(2) Employees in the Office of Pesticide Programs are prohibited from having outside employment with or holding stock or any other financial interest in companies that manufacture or provide wholesale distribution of pesticide products registered by the EPA. These restrictions apply to companies with subsidiaries in these areas but do not include retail distributors to the general public.

(3) Employees in the Office of Information Resources Management involved with data management contracting or computer contracting are prohibited from having outside employment with or holding stock or any other financial interest in data man-

agement, computer, or information processing firms.

(4) Employees who perform functions or duties under the Surface Mining Control and Reclamation Act (such as reviewing Environmental Impact Statements of the Office of Surface Mining in the Department of Interior) are prohibited by 30 U.S.C. 1211(f) from holding direct or indirect interests in underground or surface coal mining operations.

(i) Implementing regulations of the Office of Surface Mining at 30 CFR 706.3 define the terms "direct financial interest" and "indirect financial interest" as follows:

(A) *Direct financial interest* means ownership or part ownership by an employee of land, stocks, bonds, debentures, warrants, a partnership, shares, or other holding and also means any other arrangement where the employee may benefit from his or her holding in or salary from coal mining operations. Direct financial interests include employment, pensions, creditor, real property and other financial relationships.

(B) *Indirect financial interest* means the same financial relationships as for direct ownership but where the employee reaps the benefits of such interests, including interests held by the employee's spouse, minor child or other relatives, including in-laws, residing in the employee's home. The employee will not be deemed to have an indirect financial interest if there is no relationship between the employee's functions or duties and the coal mining operation in which the spouse, minor child or other resident relative holds a financial interest.

(ii) Violation of the restrictions in this section is punishable by a fine of up to \$2,500 or imprisonment for not more than one year, or both.

(iii) Employees who perform functions or duties under the Surface Mining Control and Reclamation Act are not prohibited thereunder from holding interests in excepted investment funds as defined at 5 CFR 2634.310(c)(2) provided that such funds are widely diversified, that is, hold no more than 5% of the value of their portfolios in the securities of any one issuer (other than the United States Government) and no