

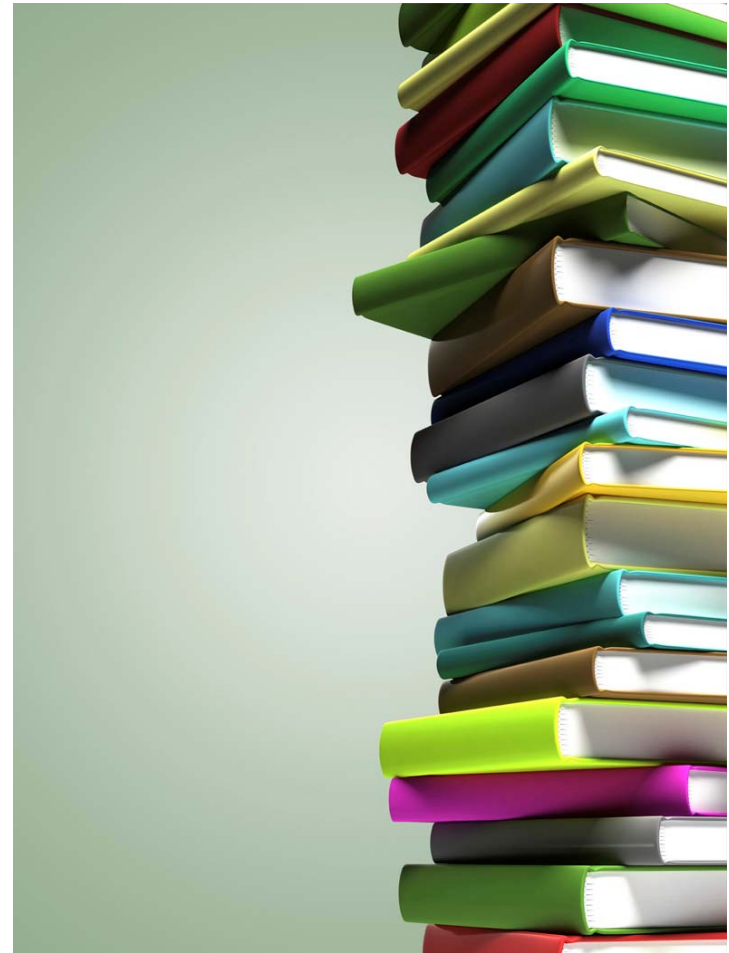
# Keep Out of Trouble



Know the Government Ethics Rules!

# Sources

- 18 United States Code (criminal provisions)
- Executive Order 12674 of April 12, 1989 as modified by Executive Order 12731 of October 17, 1990
- Office of Government Ethics Standards of Conduct
- Department of Defense Joint Ethics Regulation



# Applicability

- Civilian personnel
- Military Personnel
  - Officer and Enlisted
  - Regular and Reserve
- In some instances:
  - Retired or Former Employees
  - Special Government Employees



# General Principles

Executive Order  
12674 as modified by  
Executive Order  
12731 states 14  
general principles that  
broadly define the  
obligations of public  
service

2 core concepts:

- employees shall not use public office for private gain
- employees shall act impartially and not give preferential treatment to any private organization or individual

# General Provisions

- Public service is a public trust
- No conflicting financial interests
- No misuse of nonpublic Government information
- No solicitation or acceptance of improper gifts
- Put forth honest effort in the performance of duties
- Employees shall not knowingly make unauthorized commitments or promises purporting to bind the Government
- Act impartially and do not give preferential treatment to any private organization or individual
- Protect and conserve Federal property and do not use it for other than authorized activities

# General Provisions, continued

- Do not engage in outside employment or activities that conflict with official Government duties and responsibilities
- Disclose waste, fraud, abuse and corruption
- Satisfy in good faith obligations as citizens, including all financial obligations
- Adhere to all laws and regulations regarding equal opportunity
- Endeavor to avoid any actions creating the appearance you are violating the law or ethical standards
  - appearance is determined from the perspective of a reasonable person with knowledge of the relevant facts

# Gifts From Outside Sources

- An employee may not accept gifts
  - from prohibited sources
  - offered because of the employee's official position
- Includes gifts given to with employee's knowledge to parents, sibling, spouse, children, or dependant relative



# Gifts From Outside Sources

- “Prohibited sources” means any person or entity:
  - seeing official action by the employee’s agency
  - doing or seeking to do business with the employee’s agency
  - regulated by the employee’s agency
  - substantially affected by the employee’s official duties



# Gifts From Outside Sources

- Gifts include any items having monetary value
- Excluded are:
  - greeting cards and plaques
  - coffee and donuts (but not full meals)
  - loans from banks and financial institutions on terms generally available to the public
  - opportunities and benefits (such as discounts) available to the general public, to all government employees, or to all military personnel
  - rewards and prizes in contests open to the public
  - pension plans from a former employer
  - anything for which the employee pays fair market value

# Exceptions

- Gifts of \$20 or less per occasion, \$50 max per source, per year
- Gifts based on a personal relationship
- Meritorious public service or achievement
  - grantor not impacted by recipient's performance of duties
  - higher approval requirements for cash or items worth more than \$200



# Exceptions

- Discounts and Similar Benefits
  - Offered to groups in which membership is unrelated to Government employment or
  - Offered to groups in which membership is related to Government status but the same offer is broadly available to the public through similar group
- Gifts based on outside business activities of employees and their spouses
- Free attendance provided by the sponsor of an event for the day on which an employee is speaking
- Free attendance provided by the sponsor of a widely attended gathering of mutual interest to a number of parties
  - determination of agency interest

# Limitations on the Use of the Gift Exceptions

- An employee shall not
  - accept a gift in return for being influenced in the performance of official duties
  - solicit or coerce the offering of a gift
  - accept gifts from the same or different sources on a basis so frequent as to raise an appearance of use of public office for private gain



# Gifts Between Employees

- An employee may not
  - directly or indirectly, give a gift or make a donation towards a gift for an official superior
  - solicit a contribution from another employee for a gift to either his or the other person's official superior
- An employee may not, directly or indirectly, accept gift from an employee receiving less pay than himself unless
  - no superior-subordinate relationship and
  - there is a personal relationship that would justify the gift



# Exceptions

- On an occasional basis, including traditional gift giving situations
  - items with value of \$10 or less (no cash)
  - food and refreshments shared in the office
  - personal hospitality in subordinate's home
  - host/hostess gifts
- On special infrequent occasions, a gift appropriate to the occasion may be given to an official superior or accepted from a subordinate or employee receiving less pay
  - occasion of personal significance
  - occasion that terminates the superior-subordinate relationship

# Disposition of Improper Gifts



- Refuse if possible
- Return or pay fair market value
- Perishable items may be donated to charity, destroyed, or shared with the office
- Subsequent reciprocation not permitted

# Fundraising

- General Rule: No fundraising on Government property
- Exceptions:
  - CFC
  - Emergency and disaster appeals
  - Navy and Marine Corps Relief Society





# Conflicting Financial Interests

- An employee is prohibited by criminal law from participating personally and substantially in an official capacity in any particular matter in which, to his knowledge he, or any person whose interests are imputed to him has a financial interest.
- Imputed financial interests include those of
  - spouse
  - minor child
  - a general partner
  - an organization in which the employee serves as an officer, director, trustee, general partner, or employee
  - a person or entity with whom the employee is negotiating or has an arrangement concerning prospective employment

# Impartiality in Performing Official Duties

- If an employee determines that a reasonable person with knowledge of relevant facts would question his or her impartiality in a particular matter involving specific parties which
  - will affect the financial interests of a member of his or her household or
  - involves a person with whom he or she has a covered relationship
- Then that employee shall disqualify himself or herself from participation in that matter unless authorization is received

# What is a “covered relationship”?

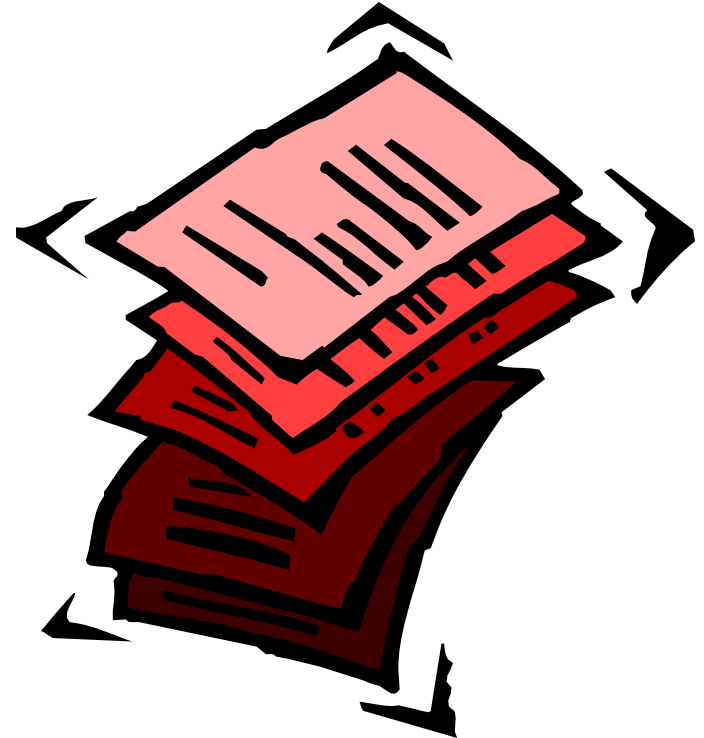
- An employee has a "covered relationship" with the following persons:
  - a person with whom the employee has or seeks a business, contractual or other financial relationship
  - a person who is a member of the employee's household or is a relative with whom the employee has a close personal relationship
  - a person for whom the employee's spouse, parent or dependent child serves or seeks to serve as an officer, director, trustee, general partner, agent, attorney, consultant, contractor or employee
  - any person for whom the employee has within the last year served as officer, director, trustee, general partner, agent, attorney, consultant, contractor or employee, or
  - any organization (other than a political party) in which the employee is an active participant.

# Seeking Other Employment

- An employee who is seeking employment or who has an arrangement concerning prospective employment must disqualify himself in advance from taking official action in matters affecting the financial interests of the prospective employers
- An employee is seeking employment when:
  - engaged in negotiations
  - making unsolicited employment contact (including sending a resume)
  - responding to an unsolicited proposal with anything other than an unconditional rejection
- Meals, lodging, transportation customarily offered may be accepted

# Disqualification

- To avoid violation:
  - Take no action
  - Written notice to supervisor (JER 2-204)
  - Supervisor response:
    - written
    - shielding procedures
    - copy to Ethics Counselor



# Termination of Seeking Employment

- An employee is no longer seeking employment when:
  - either party rejects the possibility of employment and all discussions have terminated
  - two months have passed after mailing a resume and you have received no response



# Outside Activities and Employment

- An employee may not have outside employment or be involved in an outside activity that conflicts with the official duties of the employee's position.
- An activity conflicts with official duties –
  - if it is prohibited by statute or by the regulations of the employee's agency, or
  - if the activity would require the employee to be disqualified from matters so central to the performance of the employee's official duties as to materially impair the employee's ability to carry out those duties.
- Prior approval required for financial disclosure filers working for prohibited sources

# Teaching, Speaking, Writing



- May not be paid for outside teaching, speaking and writing if the activity related to official duties
- Exception for teaching a course at an accredited educational institution
- May not use official title or position (except as part of a biography or for identification as the author of an article with appropriate disclaimer) to promote a book, seminar, course, program, etc.



# Misuse of Position

- Use of public office for private gain
  - inducement or coercion of benefits
  - imply Government sanction
  - endorsements
- Use of nonpublic information to further a private interest
- Use of Government property
  - includes office supplies, telephones, computers, copiers and any other property purchased with Government funds
- Use of official time
  - employee's own time
  - time of a subordinate

