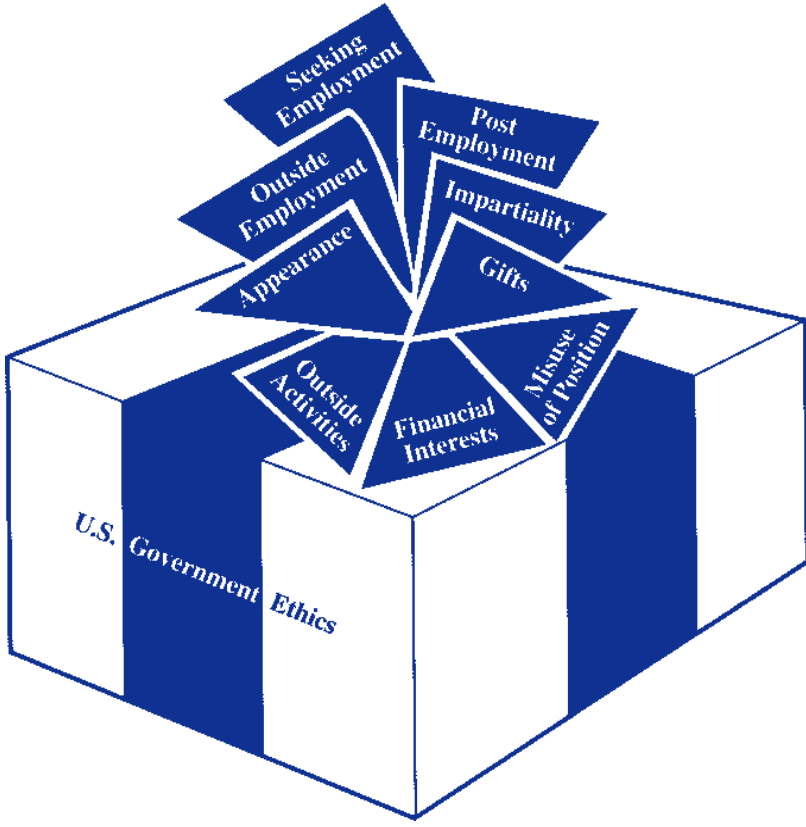




An Ethics Pamphlet for
Executive Branch Employees
April 2000



A Brief Wrap on Ethics

Introduction

This pamphlet provides a brief overview of the rules of ethical conduct that all employees should know and follow. The pamphlet covers only the highlights of these ethics rules which are called “ethics” rules. It answers everyday questions and provides examples of common situations that employees face. It does not describe each specific rule of conduct or cover unusual circumstances. If you have a question that is not answered here, you should discuss it with your supervisor or with an ethics official at your agency. Public service is a public trust. As Federal employees, each of us must always place loyalty to high ethical standards above private gain. Understanding and observing ethics rules is an essential element in fulfilling that trust.



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Fourteen Principles of Ethical Conduct for Federal Employees

(Executive Order 12674)

- (1) Public service is a public trust, requiring employees to place loyalty to the Constitution, the laws and ethical principles above private gain.
- (2) Employees shall not hold financial interests that conflict with the conscientious performance of duty.
- (3) Employees shall not engage in financial transactions using nonpublic Government information or allow the improper use of such information to further any private interest.
- (4) An employee shall not, except as permitted by the Standards of Ethical Conduct, solicit or accept any gift or other item of monetary value from any person or entity seeking official action from, doing business with, or conducting activities regulated by the employee's agency, or whose interests may be substantially affected by the performance or nonperformance of the employee's duties.
- (5) Employees shall put forth honest effort in the performance of their duties.
- (6) Employees shall not knowingly make unauthorized commitments or promises of any kind purporting to bind the Government.
- (7) Employees shall not use public office for private gain.
- (8) Employees shall act impartially and not give preferential treatment to any private organization or individual.
- (9) Employees shall protect and conserve Federal property and shall not use it for other than authorized activities.
- (10) Employees shall not engage in outside employment or activities, including seeking or negotiating for employment, that conflict with official Government duties and responsibilities.
- (11) Employees shall disclose waste, fraud, abuse, and corruption to appropriate authorities.
- (12) Employees shall satisfy in good faith their obligations as citizens, including all financial obligations, especially those -- such as Federal, State, or local taxes -- that are imposed by law.
- (13) Employees shall adhere to all laws and regulations that provide equal opportunity for all Americans regardless of race, color, religion, sex, national origin, age, or handicap.
- (14) Employees shall endeavor to avoid any actions creating the appearance that they are violating the law or the ethical standards set forth in the Standards of Ethical Conduct. Whether particular circumstances create an appearance that the law or these standards have been violated shall be determined from the perspective of a reasonable person with knowledge of the relevant facts.

These principles form the basis for the standards of ethical conduct regulation (5 C.F.R. part 2635) that is discussed and illustrated by examples on the following pages. A violation of these rules could result in disciplinary action or, for certain offenses, even prosecution under related criminal statutes on conflict of interest. So you should become familiar with the rules, and talk to your agency ethics officials if you have any questions or need more information. Your agency will also conduct periodic ethics training that may benefit you.

Gifts from Outside Sources

When can I accept a gift?

Generally, anything that has monetary value is considered a gift. With some exceptions mentioned later, you may not accept a gift from anyone who is giving the gift to you because of your Government position. Ask yourself if the gift would have been offered if you were not working for the Government. If the answer is no, then the gift is being offered because of your Government position and you cannot accept it.

Also, you may not accept a gift from people or organizations who are “prohibited sources” — those who do business with, or seek to do business with your agency, who seek some official action by your agency, or who have activities regulated by your agency. Gifts from these people or groups are prohibited, whether or not you deal with them when doing your job. You must also turn down a gift from those who have interests that may be significantly affected by your official duties, as they are also considered “prohibited sources.”

What about accepting a cup of coffee?

A cup of coffee is all right. It is such a modest refreshment that it

is not considered a gift. So you may accept it without worrying about who is giving it or why.

Other inexpensive food and refreshment items such as donuts or soda may also



be accepted. There are some other items as well that are not considered gifts, such as greeting cards, and bank loans at commercial rates, publicly available discounts, certain contest prizes, and things for which you pay fair value. But remember that the definition of a gift is very broad. If you have a question about a gift, ask your ethics official.

May I accept a lunch?

Meals are gifts. If the person who wants to pay for your lunch is a “prohibited source” or if the meal is offered because of your position, then the rule on not accepting gifts applies. However, you may be able to accept a lunch or other meal under an exception for gifts valued at \$20 or less. But you may not go to lunch on a frequent basis as the guest of the same person, because there is a



\$50 per year limit on gifts from any one source.

Can the \$20 exception be used for any thing other than lunch?

Yes, but no cash! The \$20 exception may be used to accept any gift that is not worth more than \$20. If you don't know the actual value of an item, you may make a reasonable estimate.

There are some other things you should keep in mind before you use the \$20 exception. First, it allows you to accept, but not to ask for, something worth \$20 or less. Second, the rule allows you to accept gifts worth \$20 or less on a single occasion. That means if several gifts are given at the same time, their total value cannot exceed \$20. Again remember, there is a \$50 per year limit on gifts from the same source.

There are other exceptions that would allow you to accept (but not to ask for) gifts, that would otherwise be prohibited, such as the "friends and family" exception for gifts based on personal relationships. Other examples are special discounts (such as from your agency credit union), gifts that result from an outside job for you or your spouse when they are not given because of your Government position, achievement awards, and certain

dinners or other events that your agency approves for you to attend. All of the exceptions are subject to certain limits and some have conditions that must be met. For example, you cannot accept a gift for an official act, because of a criminal statute (18 USC 201). Before using an exception, the best course to follow is to ask your ethics official about it. Your ethics official can also tell you how you may properly dispose of a gift that you have received but are not allowed to keep.



Some Things That May be Accepted

- *Alex may keep a pen worth \$15 that is given to him by a person whose license application he has processed.*
- *Janine may accept a tennis racket from her brother on her birthday, even though he works for a company that does business with her agency, as long as he, not his company, paid for the gift.*
- *Louise may accept two \$8 tickets to a craft show that are offered to her by a company that has applied to her agency for a grant.*

Gifts Between Employees

What about gifts to the boss?

With a few exceptions, the general rule is that you cannot give, make a donation to, or ask for contributions for, a gift to your official superior. An official superior includes your immediate boss and anyone above your boss in the chain of command in your agency. Also, an employee cannot accept a gift from another employee who earns less pay, unless the person giving the gift is not a subordinate and the gift is based on a strictly personal relationship.

When can I give my boss a gift?

You may give your boss a gift on an occasion when gifts are traditionally given or exchanged, such as a birthday or Christmas, or after a vacation trip. At those times, gifts valued at \$10 or less - but not cash - are permitted.



You may contribute a nominal amount for food that will be

shared in the office among several employees including your boss, or you could bring food to share. You can also invite your boss to your home for a meal or a party. If your boss invites you to his or her home, you can take the same type of gift for your boss that you would normally take to anyone else's home for a similar occasion.

You may also give your boss a gift on a special, infrequent occasion of personal significance, such as marriage, illness, birth or adoption. And you may give your boss a gift on an occasion that ends your employee-boss relationship, such as retirement, resignation or transfer.

For these special, infrequent occasions, employees are also allowed to ask for contributions of nominal amounts from fellow employees on a strictly voluntary basis for a group gift.

Remember that gift giving is strictly voluntary. A boss may never pressure you to give a gift or contribute to a group gift.

Some Gifts Permitted Between Employees

- *Nadia may collect small voluntary contributions from other persons in her office in order to buy a cake to celebrate the birthday of her supervisor or a co-worker.*
- *Clarissa may participate in the exchange of gifts in the office holiday grab bag by buying and contributing a tape cassette worth \$10.*
- *Kailash may collect contributions to purchase a fishing rod and tackle box for his boss when his boss retires, and may suggest a specific, but nominal amount, provided that he makes it clear to his co-workers that they are free to contribute less or nothing at all.*
- *Ralph may bring a jar of macadamia nuts to his boss when he returns from his vacation in Hawaii.*



Conflicting Financial Interests

Suppose I don't own any shares of stock. Do I still have to think about financial conflicts of interest?

You might. A federal criminal law (18 USC 208) says that you cannot work on Government matters that will have an effect on your own personal financial interests. Stock in a company that would be affected by your job is only one example of something that could give you such an interest. For instance, you could not act on something that would enable you personally to share in some grant or contract issued by the Government, because you would have a financial interest in those matters.

You also must be concerned about the financial interests of your spouse, your minor children, and outside persons or businesses that employ you. You should be concerned if anything you are asked to work on would affect them. Also, if you are an officer or director in an outside organization, you may not act on a Government matter that would affect that organization. If you think you do have a conflict, you should discuss it with your supervisor or your ethics official, so that

steps can be taken to prevent the conflict. This might include not working on the Government matter, selling stocks, or obtaining a special waiver from your agency, if legally permitted.

Some Conflicts to Avoid

- *Rachel's husband works for a contractor that does business with her agency and receives a bonus, based on the success of the contract. Rachel may not participate in the evaluation of the contractor's performance under the contract.*
- *Carlo is an officer in a neighborhood improvement organization that has applied to his agency for a rehab loan. Carlo may not work on his agency's review of the organization's application.*
- *Helen's husband owns a janitorial service company that does business with the Government. Helen cannot act on a proposal by the company to provide services to her agency.*

Impartiality in Performing Official Duties



What is meant by “improper appearances” and “a lack of impartiality?”

Think of it as a question of fairness. Suppose you went to a baseball game and you found out that the umpire was the uncle of a player on one of the teams. Most people would say that the umpire should not work that game, because there would be a strong appearance that he might not make the calls fairly and impartially.

A similar rule applies to you when you are doing your job. You should not act on a matter if a reasonable person who knew the circumstances of the situation could legitimately question your fairness. For example, your fairness might reasonably be questioned if you were to work on a project that could directly benefit a relative. The rule lists a number of such “covered relationships” with people and organizations that could pose a question of an “improper appearance.”

If you have a situation that you think might raise such a concern, then you should talk to an ethics official at your agency. He or she will be able to tell you whether or not there is an appearance problem and give you advice on how to deal with it.

Some Situations Where Fairness May be Questioned

- *Marvin’s handling of a consumer complaint that has been submitted to his agency by his business associate, or by a close friend, would raise a question about his impartiality.*
- *After 20 years with the same company, Pam accepts a job with the Government. For one year, she should consider whether her fairness would be questioned if she were to act on matters that specifically involve her former employer.*
- *Roy’s work on an investigation of a company that is being represented by his brother would raise a question about his impartiality.*
- *Susan should have concerns about reviewing grant applications to her agency if one of the applicants for a particular grant is an outside organization where her father serves on the board of directors.*

Seeking Other Employment

Suppose I'm looking for a part-time job to earn more money. Is there any problem with this?

No, but there are rules that may apply to you if you are looking for a job, whether it is on a part-time basis or whether you are planning to leave the Government for a full-time position.

First, you need to know whether the person or company that you are thinking about working for could be affected by projects and other matters you work on for the Government. If the prospective employer could not be affected by the Government project, then the rules do not apply. If the project could affect your prospective employer, then you may need to stop working on that project, before you begin making any contacts with him.



These rules may apply to you sooner than you think. Depending on the circumstances and the type of prospective employer, even sending out a letter and resume could trigger the requirement under the Standards of Conduct regulation that you avoid working on any project that could affect that prospective employer. If you are actually discussing a position with a potential employer, you may be restricted by a criminal statute (18 USC 208) from working on Government matters that affect that employer.

Talk with an ethics official before you look for a job, whether full or part-time. He or she can advise you about the rules on seeking employment. If you are thinking of looking for a part-time job, your ethics official can also tell you whether or not your agency has specific rules that apply to certain kinds of outside employment or that require you to obtain permission before you take a part-time job. The ethics official can also tell you about those things you will not be able to do for your new employer.

Looking for a Job

- *A company that is regulated by Todd's agency has asked him if he would like to talk about possible employment. Unless he responds by rejecting the invitation, Todd is seeking employment with that company and cannot work on Government matters that would affect it.*
- *Bernie has told a private company that he needs some more time to think about the company's job offer. As long as the offer is pending, Bernie cannot work on Government matters that will affect that company.*
- *Diane has written to the personnel office of a company that her agency regulates, requesting only that they send her a job application form. She has not begun seeking employment by simply asking for an application, and she may work on matters affecting that company until she submits the application.*
- *More than two months have passed without a response of any kind since Claudia sent an unsolicited letter and resume to a company that is a party to a proceeding before her agency. Because of this length of time, Claudia is no longer considered to be seeking employment with the company.*

Misuse of Position

Suppose a friend asks me to help her with a complaint that she made to my agency about a problem that she is having with a finance company. Is it all right if I ask the consumer affairs office to act more quickly on her problem?

You cannot use your position with the Government for your own personal gain or for the benefit of others. This includes family, friends, neighbors, and persons or organizations that you are affiliated with outside the Government. In this case, you would be using the access you have to the consumer affairs office because of your Government job to obtain special treatment for your friend. You may also be violating a criminal law (18 USC 205) if you act as a spokesperson on behalf of your friend to any Federal agency. But you could find out if there is anyone who routinely takes calls from the public about the status of their complaints and provide that information to your friend.

At lunch, some of my co-workers were talking about developing some specifications for a project that my agency will soon be putting out for bids. A friend of mine works for a company that is in the

business, and it might help him if he knew about what's coming along. Can I tell him about the project, without discussing the specifications?

That depends on whether the project itself is public information. You cannot use (or allow someone else to use) non-public information to benefit yourself or some other person. If information about the project has not been made known to the public and is not authorized to be made known upon request, then it is nonpublic information and cannot be disclosed. It makes no difference that you heard about it at the lunch table and not as a result of your official duties. If the fact that the agency is going to pursue the project is public, you can certainly make sure your friend knows when the agency publishes or makes available information about the project.

May I use the photocopier at work to make copies of a flyer for a bake sale at my child's school?

No. You must conserve and protect Government property and you cannot use Government property or allow its use, other than for authorized purposes. It makes no difference whether you gain personally or whether the group you are helping is

nonprofit. You may not use the photocopying machine, or any other Government property, including supplies, computers, telephones, mail, records or Government vehicles for purposes other than doing your job (unless your agency has rules permitting some types of incidental use).

Suppose my boss asks me to help him do some work connected with some outside groups he belongs to. If I have free time during the day, is that something that I may do?

Official time at work is to be used for the performance of official duties. So the answer is no, unless there is some other specific authority which allows you to use your time at work for other purposes.



Some Things That Cannot Be Done with Government Time, Information and Resources

- *Ken cannot tell his friend to sell his stock in a company that Ken knows is under investigation by his agency, unless that information is available to the public.*
- *Joyce, who works as a real estate broker in the evenings and on weekends, may not make or take calls at her Government office to or from potential real estate clients.*
- *Ahmad cannot use agency letterhead for a letter of recommendation for his brother-in-law for a job with an office supply company. Letters of recommendation on agency letterhead are permitted only when recommending someone who worked for you in the Federal Government or who is seeking Federal employment.*
- *An agency employee cannot use her official title or refer to her Government position in a book jacket endorsement of a novel that she likes or in a newspaper's review of the book.*

Outside Activities

What about activities off the job, on my own time?

You cannot engage in outside employment or any outside activity if it conflicts with your Government job. It could be prohibited by a law or regulation that applies to your agency, or it might present a conflict because the outside activity would disqualify you from performing a significant amount of your Government duties. Also, you should check with your agency ethics official to see whether or not you need agency approval before you engage in an outside activity.

Suppose I teach the course on beginner swimming in the physical education department at the community college. Is that alright?

There are restrictions that apply to outside teaching, speaking and writing. Generally, if the activity relates to your official duties, the rule is that you cannot be paid for it. However, even if the course does relate to your work, there is an exception for teaching a course in the regular program of certain educational institutions that would allow you to teach the community college course.



If your Government job requires you to deal with the community college or in any way affects the college's financial interests, you should check with your ethics official first before you accept the teaching position. And note that high-ranking non-career employees are subject to additional restrictions on outside earned income. Check with your agency ethics official for those rules.

What about fundraising?

There are rules that apply to fundraising as a **private** individual. Basically you can engage in private fundraising outside the workplace as long as you do not ask for a contribution from a subordinate or from someone who is regulated by, does business with, or seeks official action by your agency, or has interests that may be substantially affected by you when you do your job. Also, you cannot use your title, position, or authority, or Government time or equipment, to further the fundraising effort. And you must avoid any action that would violate any of the other conduct rules. Fundraising in your **official** capacity is highly restricted by other laws and rules, so you should always ask your ethics official first before engaging in that activity.

Some Things That Can and Can't Be Done off the Job

- *Carter's agency requires prior approval of outside activities, including service as an officer or director of an organization. With his agency's approval, Carter may serve as an officer of an association. Of course, he may still have to disqualify himself from working on official matters that could affect that association.*
- *Victoria may work as a part-time salesperson with a clothing store in the local shopping center so long as her official duties do not affect the company that owns the chain of clothing stores.*
- *Yolanda may not use her job title or position with a Federal law enforcement agency to raise funds for the police officers' association in her county. But she could do it on her own time, as a private citizen and not in a Government uniform.*
- *George, who processes Medicare claims, may not be paid for teaching a one-day seminar for a senior citizens' group on the Medicare program and how to fill out Medicare claims.*
- *Ian works for the Department of Agriculture. Because of a criminal statute (18 USC 205), he cannot call the IRS on behalf of a neighbor (even if he will not be paid by her), to ask for reduction of a penalty assessed against her for late payment.*

Restrictions on Former Employees



Suppose I take a job in the private sector. Am I subject to any rules after I leave the Government?

There is a Federal statute (18 USC 207) known as the post-employment law that applies to all former employees after they leave the Government. In general, this law does **not** prohibit you from working for any particular employer. It may, however, restrict the kinds of things that you do for that employer, depending on what you worked on or were responsible for when you were with the Government. Some additional rules apply to high-level officials and employees who were involved in procurement.

The ethics official of your former Government agency is available to provide more specific guidance on these restrictions and to answer any specific questions that might come up in your new employment, and you should contact him or her in order to be sure that you perform the duties of your new employment in a lawful manner. It is a good idea to ask about these rules when you are asking about seeking employment. You will want to know if you are permitted to do the work your prospective new employer

wants you to do before you take that job.

Some Things That Can and Can't Be Done After Leaving a Government Job

- *Walter may accept a job as a compliance officer with a company that is regulated by his former agency. Walter may have some limitations in communicating with his former agency on his company's behalf. For example, if he had served his former agency as a "senior" employee, he would be restricted for one year from any communication to that agency, but he could help his new employer "behind the scenes."*
- *Rudolf may not represent his new private employer in a dispute with the Government over a security services contract that he reviewed while working for the Government.*
- *For two years, Zenia may not represent her new employer before her former agency regarding investigations conducted by her subordinates during her last year of Government service.*

Special Categories of Employees

This pamphlet does not describe how the rules may apply differently for “special Government employees” (SGE), employees involved with procurement, senior officials, or non-career political appointees. Employees who believe they fit within one of these groups should ask their agency ethics officials for information on the ethics rules that are specific to them.

The U.S. Office of Government Ethics
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