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GAO ETHICS CODE



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To All GAO Employees:

As an employee of the General Accounting Office, you must conform to high standards of conduct. You are subject to close public and official scrutiny and are judged not only by your official actions and conduct, but also by your personal activities when they are work-related. GAO relies on you as its representative to perform government business properly, to protect government interests, and to set high ethical standards for government service.

The GAO Code of Ethics was written to help you meet these responsibilities. It explains conflict of interests and how to avoid them, and outlines this agency's policy on other ethical matters such as acceptance of favors and outside employment.

This booklet is a summary of the GAO Code. You may obtain a copy of the full text (Order 0841.1) from the personnel office. Please read this booklet carefully and keep it in a safe place handy for reference. If any details are not clear, or when you are in doubt about the ethics of a particular matter, you should go to your supervisor for advice.



Comptroller General
of the United States

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CONFLICT OF INTEREST

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A conflict of interest is a conflict between a specific business interest of your own and the broader interests of the government as a whole. Your interest could be financial, as a shareholder, or it could be a more indirect connection as a director or consultant, perhaps unpaid.

The conflict becomes an issue when your GAO work is related in some way to the business in which you have an interest and could therefore be viewed as having an influence on your work. Your desire to protect and enhance your private interest can interfere with your duty to protect government interests. You may find it difficult to be impartial and objective, for example, if you own stock in a utility company and your GAO assignment is energy-related. Even though you personally might not have difficulty in being impartial and objective, appearances must be taken into account.

Most conflicts are caused by this kind of personal financial interest, but non-financial interests in work-related organizations can also create conflict. If you are a trustee, partner, or contractor, for example, in an organization involved in some way with this agency, your judgment can be affected or appear to be affected by the connection. Even close ties with a business friend can become conflicting if you are working in an area related to your friend's business. It is also possible for conflict to arise if you work for GAO on matters having to do with a former business association. Personal interests of members of your immediate family can cause conflict; so can debtor-creditor relationships. There is conflict potential in any private interest which causes or might appear to cause you to perform your official duties in a way other than you would if you did not have the private interest.

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WHEN CONFLICT ARISES

Once it is determined that a conflict exists, it must be eliminated according to GAO procedures in one of three ways: divestiture of the interest, re-assignment (whichever is most practical), or, if neither of these solutions is possible, dismissal from your job.

Here are some typical examples of conflict of interest and how they would be decided by GAO reviewing officials:

Conflict: You have mineral rights in undeveloped land and you are given an energy-related assignment.

Decision: You may continue the assignment for the present because your rights apply to minerals that *might* be found. If minerals should be discovered at any future time, however, you are expected to report that fact to GAO.

Conflict: You own stock in a homebuilding corporation, and you are a junior staff member assigned to survey the effect of federal credit on the housing mortgage market.

Decision: Your position as a junior member of the staff gives you no opportunity to take any action that would enhance your investment in the corporation. You may continue with the assignment.

Conflict: You are a voting member of a recreational ranch and are assigned to review the Bureau of Mines. In the course of

- your study, you discover mineral deposits on your ranch property.
- Decision:* You must be reassigned.
- Conflict:* You are responsible for education-oriented audits in a specific geographic area, and have been elected to a school board in an adjacent area.
- Decision:* You must disqualify yourself from auditing work directly related to the school district which you represent, but may otherwise continue your assignment.
- Conflict:* Prior to your employment with GAO, you worked as an accountant in a business which is now the recipient of a federal aid program. You are assigned to audit all such programs.
- Decision:* You must disqualify yourself from work on the business in question, but may otherwise continue your assignment.
- Conflict:* You own stock in a freight company and are assigned to survey rates in businesses which furnish freight and transportation to the government.
- Decision:* You must divest yourself of your stock, or be reassigned.
- Conflict:* You have a pension plan in a company against which GAO is prosecuting a claim and you are on the General Counsel's staff.
- Decision:* You must not participate in the assignment.

This agency expects you to be sensitive to situations such as these and to report them to your supervisor for resolution. Any circumstance that may be considered conflicting must be disclosed promptly to avoid questions of disciplinary action and even possible criminal prosecution.

You should be especially alert to the conflict reporting requirement whenever your assignment changes and whenever your personal situation changes. Private interests which did not conflict with a previous assignment may in fact do so in a new assignment. In the same way, a new financial interest could cause conflict with an assignment you presently have.

You and your supervisor have a joint responsibility for preventing conflicts of interests. Yours is to keep your supervisor informed of possible conflict circumstances. Your supervisor's responsibility is to initiate the review process for resolving conflict when it has come to his attention. He is not permitted to waive the circumstances as being inconsequential or insubstantial.

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CONFIDENTIAL FINANCIAL STATEMENTS

In order to assist in controlling adherence to conflict of interest requirements, you will have to submit a confidential statement disclosing your financial and other interests if:

- your grade is GS-7 or above in a 2-grade-interval series,
- your grade is GS-13 or above,
- your position is statutory, or
- you are a special employee.

Nonprofessionals are not required to submit a statement unless they are incumbents of certain nonprofessional positions which are particularly susceptible to conflict, as determined by the person to whom they report. Certain special employees are also exempt if the nature of their work is such that the integrity of their services is not affected. In such cases, the Comptroller General or the General Counsel may waive the requirement.

If you feel that you are being improperly required to submit a statement, you may request a review of your case by the Comptroller General.

PROCEDURE FOR SUBMITTING STATEMENT

Your confidential disclosure statement should be made on GAO Form 310 (311 if you are a special employee) and filed with your division or office head. Employees at the division directorate level and above should file with the official to whom they report.

Confidential statements must include the financial and employment interests of your immediate household as well as your own. You are also required to report information regarding interests held in trust for you by another person.

Statements are to be filed annually by June 30 and again at any time when you are transferred to a different division, to a new assignment, or to an organizational entity above division level, although an updated, initialled statement is acceptable at those times if the original was recently submitted. If you are a new employee required to submit a statement, it must be approved before your assignment may begin.

Both initial and additional statements will be reviewed within 15 days of their submission. If there is no conflict of interest, your statement will be put in a safe lock file where it will be stored for three years, subject to periodic inspection, and then destroyed. Access is permitted only to those at the division directorate level and above.

OTHER GAO REGULATIONS

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ACCEPTANCE OF FAVORS

With the limited exceptions covered below, you may not solicit or accept, directly or indirectly, any gift, gratuity, favor, entertainment, loan, or any other thing of monetary value from:

- a foreign government,
- a person having or seeking to obtain business with the government,
- a person having financial relations with the government,
- a person whose interests may be substantially affected by the performance or nonperformance of your official duty, or
- a person who conducts operations which are subject to audit, investigation, decision or regulation by GAO.

You may, however, accept food and refreshments of nominal value when attending a justifiable dinner or luncheon meeting or inspection tour, and you may accept unsolicited promotional materials of nominal value. You may accept from a foreign government a gift of minimal or souvenir value, or a decoration tendered in recognition of meritorious performance in world service; and you may accept from a foreign government a gift with a value not exceeding \$50.00 when to refuse such a gift would cause offense, and the gift is deposited with the Chief of Protocol of the Department.

EXPENSES AND TRAVEL REIMBURSEMENT

When traveling on official business, you are generally not allowed to accept reimbursement of travel or living expenses from private sources. When

you are not engaged on official business, you may accept only reasonable reimbursement which is not excessive.

MEETING FINANCIAL OBLIGATIONS

Failure to meet your personal financial obligations to the extent that such failure reflects adversely on the government as your employer is considered improper. If GAO should receive a complaint that you have not paid a debt, you must submit a written report of what you propose to do about the debt. Your salary is subject to garnishment if you fail to pay delinquent Federal income tax, child support, or alimony.

USE OF GOVERNMENT PROPERTY

You have a duty to protect and conserve government property entrusted to you. You are not to use or allow the use of government property, directly or indirectly, for other than officially approved activities.

GAMBLING, BETTING, LOTTERIES

You are not allowed to participate while on duty for the government, or while on government-owned or leased property in any gambling activity, lottery, or money pool.



OUTSIDE EMPLOYMENT

You may engage in outside employment, with or without compensation, only if it is compatible with the full and proper discharge of your duties as a GAO employee, and only if your request is officially approved.

To obtain approval, you should complete form 256 and submit it to your immediate supervisor. Permission, if granted, applies only to the specific employment described in your request, and is valid for three calendar years. Renewals, changes or modifications must be covered by a new request. If you are in grade GS-13 or above, and you have good and sufficient reasons for such work, permission will be granted for one year only, unless teaching, writing, lecturing or income tax work is involved, as set forth below.

Permission will not be granted for outside employment which:

- tends to impair your mental or physical capacity to perform your GAO duties,
- is likely to result in criticism or cause embarrassment to GAO,
- creates the appearance of a conflict of interest,
- requires representation of clients before courts or government agencies, or
- has been obtained by means of your GAO employment.

Outside teaching, lecturing and writing are normally allowed, provided such activity is not prohibited by law or GAO orders. Permission is also usually granted to engage in income tax work, if you are not involved in GAO's audit of IRS, and your client has no business with the government.

FEDERAL STATUTES



There are numerous Federal statutes dealing with ethical conduct, but this booklet has dealt substantially with only one—conflict of interest. Other ethical issues regulated by Federal law are:

- bribery
- receiving compensation for claims, contracts, etc.
- receiving salaries or contributions from private sources for government services.
- prosecuting claims against the government.
- prosecuting claims involving matters connected with former duties.
- accepting or soliciting anything of value to obtain public office for another.
- lobbying with appropriated funds
- disloyalty and striking
- employing a Communist Party member
- disclosure of cryptographic and intelligence-gathering information
- disclosure of proprietary business information
- habitual use of alcohol to the extent that it affects your work
- misuse of government vehicles
- misuse of franking privilege
- deceit in examination or personnel action
- fraud and false statement
- mutilating or destroying public records
- counterfeiting and forging transportation requests
- embezzlement and theft of government money, property or records
- unauthorized use of documents
- political activity
- solicitation of political contributions
- making political contributions through a government employee or congressman.

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- ⊙ exceeding permissible limits on political contributions
- ⊙ acting as an agent of a foreign principal
- ⊙ employing anyone convicted of participating in or promoting civil disorder.
- ⊙ knowingly disclosing information relating to geological or geophysical information.
- ⊙ giving gifts to superiors or accepting gifts from employees receiving less pay than yourself.
- ⊙ failure to account for public money
- ⊙ wrongfully converting property of another

Excerpts from the statutes dealing with these matters are contained in the full text of the Code of Ethics, if you wish to study them in more detail. Violation of any of these prohibitions is punishable by removal, fine, or imprisonment, or all three.

WHAT IS CONFLICT OF INTEREST?



When you have a private interest—financial or other—in business, and your GAO duties are related to that type of business, a conflict of interest exists. When such an interest *might be viewed as* having an influence on your work, a conflict *may* also exist.

HOW CAN YOU AVOID CONFLICT OF INTEREST?



- Comply with the regulations and policies described in this booklet.
- Keep in mind that government interests take precedence over your individual private or employment interests.
- Be sensitive at all times to conflict situations and report them to your supervisor.
- If you are required to do so, submit a statement of your financial and other private interests at specified times.

WHAT IS A *FINANCIAL* INTEREST?



- Ownership of or other interest in stocks, stock options, bonds, or other securities.
- trust interests,
- pension or retirement plan interests.
- interest in a shared income plan,
- real property interests, except for interest in a private home used as employee's residence,
- guarantee.

WHAT ARE OTHER PRIVATE INTERESTS?



- A connection with a business or other enterprise as an:
 - employee
 - owner
 - director
 - member
 - trustee
 - partner
 - advisor
 - consultant
 - contractor

SUBMITTING CONFIDENTIAL FINANCIAL STATEMENTS



- WHO?** Employees in grade GS-13 or above.
Employees in grade GS-7 and above
in job series with 2-grade-intervals.
Special employees (with a few excep-
tions).
Incumbents of certain nonprofessional
positions.
- WHAT?** Form 311 for special employees
Form 310 for other
- WHEN?** Annually, by June 30
Whenever you are assigned to a dif-
ferent division or assignment or to
a position above the division direc-
torate level.
At any other time when there is a pos-
sibility of conflict of interest.
- WHERE?** Submit to the official to whom you re-
port.

END