



# FACA

## Ethics Presentation

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# Service on Advisory Committee

- **Appointment as Special Government Employee (SGE)**
- **Federal ethics rules apply to SGEs**
  - Includes service on advisory committees

# Fourteen Principles of Ethical Conduct for Federal Employees

- 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 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.**



# Basic Ethics Rules

- **Ethics Principles:**
  - **Public service is a public trust**
  - **May not have conflicting financial interests**
  - **Avoid even the appearance of impropriety**



# Overview

- **Financial Conflicts of Interest**  
(18 U.S.C. 208)
- **Relationship Conflicts**  
(5 C.F.R. 2635.502)
- **Representation Restrictions**  
(18 U.S.C. 203 & 205)
- **Misuse of Position**
- **Gifts**



# Financial Conflicts

## 18 U.S.C. 208

- **Prohibits involvement in a particular matter in which you, or spouse or dependent child has a financial interest:**
  - **An employee is disqualified**
  - **from participating personally and substantially**
  - **in any particular matter in which**
  - **the employee, or anyone whose interests are imputed to the employee, has a financial interest,**
  - **if the particular matter will have a direct and predictable effect on that interest.**



# Imputed Interests

- **Spouse**
- **Minor Child**
- **General Partner**
- **Organization which the individual serves as officer, director, trustee, general partner or employee**
- **Person or organization which the employee is negotiating or has an arrangement for prospective employment**



# Particular Matter Summary

- **Deliberations, decisions, or actions that are focused upon the interests of:**
  - Specific persons or entities (EX: contract, grant, agreement)
  - Identifiable class of persons or entities
- **NOT focused on:**
  - Broad policy options or considerations





# Relationship Conflicts

5 C.F.R. 2635.502

- Appearance of inability to remain impartial due to relationship
- **“Covered relationships”**
  - Employer of spouse or dependent child
  - Member of your household or a close relative
  - Former employer of last 12 months
  - Business relationship
  - Org you actively participate in
  - Person you seek business relationship with
- Reasonable person with knowledge standard



# Conflict of Interest

- **What should you do?**
  - **Recuse yourself**
  - **Inform your committee manager**
  - **Seek ethics advice**
  - **Exemptions**
    - **Below \$15K**
    - **Employment Interests (w/out stock interest)**



# Financial Disclosure

## Requirement:

- **Annually file Financial Disclosure Report**

## Purpose:

- **Identify potential conflicts of interest**
- **Ensure integrity of Committee work**



# Representation Restrictions

## 18 U.S.C. 203 & 205

- **Prohibits representational activities before the Government.**
- **Regarding matters you are involved in as an SGE.**
- **Does Not prohibit contact regarding matters outside of committee's business.**



# Misuse of Position

## **Do Not:**

- **Use your Public Office for private gain**
- **Use or disclose non-public information**

# **Gift Defined**

**Anything of value, including:**

- **Cash**
- **Tangible items**
- **Services**
- **Entertainment, hospitality, gratuity, or favor**
- **Training, travel, transportation, lodging and meals**
- **A discount, loan, or forbearance (forgiveness) of a loan,**

**Offered as a result of your official position**



# Receipt of Gifts

- **Follow the Basic Rule:**
- **DO NOT solicit/accept gifts from any prohibited source; or if given because of your Advisory Committee position.**
- **Exceptions**
  - **Outside business activities**
  - **Personal relationships**
  - **\$20/\$50 rule**



# Summary

- **No conflicting financial interests**
- **Avoid “appearance” issues**
- **Recuse when there is a conflict**
- **Seek ethics advice**