Department of the Navy

Employees' Guide to the Standards of Conduct

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Whom to Call for Advice

The **Navy General Counsel** is the Designated Agency Ethics Official (DAEO) for Department of the Navy (DoN) employees, both civilian and military. The Judge Advocate General is the Alternate DAEO. The DAEO has appointed Deputy DAEOs and Ethics Counselors within the Navy. The Assistant General Counsel (Ethics) is the principal assistant to the DAEO on ethics and standards of conduct matters and is responsible for the day-to-day management of the DON ethics program.

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IMPORTANT ADVICE

If you're not positive that what you're about to do is appropriate, ask your ethics counselor. If you cannot determine who your ethics counselor is from the attached list, contact the Office of the Assistant General Counsel (Ethics) (AGC(E)) by one of the means listed above. One mission of that Office is to advise DoN personnel and assist them to accomplish their goals without violating the standards of conduct.

In fact, disciplinary action for violating the standards of conduct will **not** be taken against you if you act in good faith reliance upon the advice of your ethics counselor as long as you have made full disclosure of the relevant circumstances.

This Handbook provides a general summary of the rules. It does not include every exception, every requirement, or all the factors that must be considered in making certain decisions. If you are unsure of your actions, call your ethics counselor before you act.

GENERAL PRINCIPLES OF PUBLIC SERVICE (EXECUTIVE ORDER 12764)

Do's	Don'ts
Place loyalty to the Constitution, the laws, and ethical principles above private gain	Don't use nonpublic information to benefit yourself or anyone else
Act impartially to all groups, persons, and organizations	Don't solicit or accept gifts from persons or parties that do business with or seek official action from DoD (unless permitted by an exception)
Give an honest effort in the performance of your duties	Don't make unauthorized commitments or promises that bind the Government
Protect and conserve Federal property	Don't use Federal property for unauthorized purposes
Disclose waste, fraud, abuse, and corruption to appropriate authorities	Don't take jobs or hold financial interests that conflict with your Government responsibilities
Fulfill in good faith your obligations as a citizen, and pay your Federal, State, and local taxes	Don't take actions that give the appearance that they are illegal or unethical
Comply with all laws providing equal opportunity to all persons, regardless of their race, color, religion, sex, national origin, age, or handicap	

Remember: Violating ethics principles may result in disciplinary or corrective action, including criminal prosecution. Protect yourself from disciplinary action by seeking the advice of your ethics counselor.

GIFTS

Gifts From Outside Sources

Rule: You may not accept a gift given:

- Because of your **official position**, or
- By a **prohibited source**

Regardless of any exceptions that allow accepting gifts, it is **never permissible** to:

- Accept a gift in return for being influenced in the performance of an official act. This is a bribe!
- Solicit or coerce the offering of a gift
- Accept gifts from the same or different sources so frequently that a reasonable person would think you're using your office for private gain
- Accept a gift in violation of a statute

Patty, a DoN employee, meets informally every week with representatives of defense contractors, who customarily treat her to a small breakfast. Although an exception might permit acceptance of these small breakfasts, Patty's recurring practice of accepting them is improper.

What's a Prohibited Source?

A prohibited source is any person who is, or any organization a majority of whose members are:

- Seeking official action by DoN
- Doing or seeking to do business with DoN
- Regulated by DoN, or
- Substantially affected by the performance of your official duties

Joe, a Computer.Com representative, is seeking to do business with DoN. He invites members of the acquisition dept. to a golf tournament, which his company will pay for. DoN acquisitions personnel cannot accept the gift of free golf greens fees unless an exception to the gift rule applies, because Computer.Com, by seeking to do business with DoN, is a prohibited source.

What's a Gift?

Anything of monetary value.

What's Not a Gift?

Here are examples of items that are not defined as "gifts":

- Modest items of food and refreshments (like coffee and donuts) when not served as a meal
- Prizes in contests open to the public
- Greeting cards and items with little intrinsic value, such as plaques, certificates, and trophies, intended only for presentation
- Commercial discounts available to the public or to all Government civilian or military personnel
- Anything the Government acquires by contract or otherwise legally accepts
- Anything for which you pay market value

You may accept cups of coffee offered by a contractor at no charge.

If you enter your business card in a drawing sponsored by a DoN contractor that is open to the public, you may keep the prize.

Gifts That You May Keep

Remember, you don't have to accept a gift. It may be smart, depending on the circumstances, to decline a gift, even when it is allowed by the exceptions below.

- Gifts valued at $20 or less, **but**
  - not cash or investment interests
  - not more than $50 in total from one source in a year
- Gifts motivated by personal relationships
- Certain discounts and similar benefits offered
  - by professional organizations
  - to groups unrelated to Government employment (such as AARP)
  - to groups in which membership is related to Government employment, if the same benefits are available to other, similar organizations. (e.g., discounted loans to Gov't. credit union members.)
  - by a *non*-prohibited source to any group as long as not discriminatory on basis of rank, type of responsibility, or pay.
- Gifts resulting from your or your spouse's outside business activities

On each of his quarterly visits, a sales representative of Overpriced Computers Inc. gave Bonnie, a DoN employee, a company T-shirt, valued at $10 each. During that period, Bonnie's brother Steve, who also works for Overpriced Computers Inc., purchased for her a birthday present valued at $60. Bonnie may keep all of the gifts given to her. The T-shirts don't exceed the $50 annual limit from one source, and the gift from her brother Steve is the result of a personal, not business, relationship.

Tom was offered two tickets valued at $30 a piece to a baseball game from an employee of a defense contractor. Since the price of each ticket exceeds the $20 limit, Tom may only accept the tickets if he pays the contractor $60, the full market value of the tickets. (Paying only the $40 difference is not permissible.)

- Free attendance provided by a state, local government, or tax exempt civic organization when there is a community relations interest

- Gifts accepted under specific statutory authority, such as certain gifts from a foreign government

- Certain educational scholarships and grants (consult your ethics counselor)

- Free attendance, food, and entertainment (not travel) *when provided by a sponsor:*
  - of an event on the day that you are speaking or presenting information, **or**
  - of a widely attended gathering, provided that your supervisor determines that your attendance is in the agency's interest. (If the sponsor has interests that may be affected by you, an additional conflict of interest determination is required.)

- Free attendance, food, and entertainment (not travel) *provided by a person other than the sponsor* of a widely attended gathering, if:
  - the market value of the gift of free attendance is $350 or less and more than 100 persons are expected to attend, **and**
  - your supervisor determines that your attendance is in the agency's interest. (If the person has interests that may be affected by the employee, an additional conflict of interest determination is required.)

- Meals, lodging, transportation, and other benefits in connection with employment discussions

- Awards for meritorious public service or achievement, and honorary degrees – see your ethics counselor

- Travel benefits and free attendance from political organizations in connection with certain political activities

- Food and entertainment (not travel and lodging), at social events, if: (1) the invitation is not from a prohibited source, **and** (2) the event is free to all attendees.

On account of his DoN position, an arms trade association invites Jared, a DoN officer, to an industry-wide, one-day seminar sponsored by the association, a $200 value. He is also invited to dinner, which costs $100, at a restaurant after the seminar with several industry executives. Jared may accept the seminar invitation, provided that his supervisor determines that his attendance furthers DoN's interests. Jared may not accept the free dinner invitation, which is not part of the seminar and is closed to other interested participants.

An annual dinner is held by a veterans' service organization that costs $125 per person. Representatives from veterans' groups, Congress, and the media will attend. Several DoN employees are given free tickets by Big Guns, Inc. At the dinner, a veteran will be honored. Since it is a widely attended gathering, the DoN employee may be able to accept the free tickets if his or her ethics official determines more than 100 persons are expected to attend the event, and there is an agency interest in the DoN employee's attendance.

- Gifts of food and entertainment (not to exceed the per diem rate) at meetings or events attended in an official capacity in foreign areas, when (1) *not* provided by a foreign government **and** (2) non-U.S. citizens participate in the meeting or event

Disposition of Improper Gifts

Rule: If you are offered a gift that you cannot accept, you should:

- Decline the gift
- Promptly return the gift, **or**
- Pay the donor the gift's market value

Under certain circumstances, perishable items may be:

- **donated to charity**
- **destroyed**
- **shared within the office**

(check with your ethics counselor)

Subsequent reciprocity is not a solution

There are additional restrictions on accepting gifts from lobbyists for political appointees (ES, non-career SES, and Schedule C's)

Gifts Between Employees

Rule: You may not accept a gift from an employee who earns less than you (unless you have a personal relationship with the employee and you are not in the chain of command)

Rule: You may not give, make a donation toward, or solicit a gift for someone superior to you in the chain of command.

Exceptions to the Rule

1. On an occasional basis, such as holidays or birthdays, you may give to a superior or receive from a subordinate:
   - Non-monetary gifts of up to $10
   - Personal hospitality provided at a residence (or an appropriate host/hostess gift),
   - Food or refreshments shared in the office

Bill asks his 4 coworkers each to pitch in $20 to purchase a $100 golf putter for Doreen, their boss, for Christmas. Doreen invites the office to a New Year's party, serving meals valued at $25. Bill brings a $20 bottle of wine.

- **Bill may not solicit, and he and his coworkers may not give, their boss a group gift or individual gifts at Christmas that exceed $10.**
- **The dinner and the wine are both appropriate.**

2. On special, infrequent occasions,
   - of personal significance, such as marriage, illness, or birth or adoption of a child
   - that terminate the chain of command, such as retirement, resignation, or transfer

   you may
   - solicit voluntary contributions up to $10/person for a group gift
   - give an appropriate gift to a superior
   - accept appropriate gifts and group gifts that do not exceed $300 from subordinates

Doreen decides to retire. Bill, who works for Doreen, gives her a $20 book and again solicits for a going-away gift. He would like to get her a golf-related desk set that costs about $50.
- **Bill may give the $20 book, as it is an appropriate gift**
- **Bill may also solicit for a gift and contribute toward the group gift**
- **Bill has learned his lesson and does not suggest an amount to contribute**

CONFLICTS OF INTEREST

Conflicting Financial Interests (18 U.S.C. 208)

Criminal Rule: You may not do government work on a particular matter that will affect the financial interest of:
- You
- Your spouse
- Your minor children
- Your general partner
- Organizations with which you're negotiating or have arrangements for future employment, **or**
- Any organization for which you serve as an employee, officer, director, trustee, or general partner

Bryan, a DoN procurement officer, is about to award a contract for new computers. His wife, Deanna, owns a computer sales business, which has bid on the contract. Bryan may not participate in the contract award decision, since the decision will affect his wife's financial interests.

If you think you may have a conflicting financial interest, consult your ethics counselor immediately to determine the appropriate remedy.

Bribery and Graft (18 U.S.C. 201)

Rule: You may not seek or accept anything of value, other than your salary, for being influenced in your official duties.

Commercial Dealings Between DoN Employees

Rule: You may not knowingly solicit or make solicited sales to personnel who are junior in rank, grade, or position (or their families). This includes insurance, stocks, real estate, cosmetics, household supplies, and other such goods and services.

Sue operates a cosmetics sales business out of her home after hours. During the day she is a supervisor at DoN. She may not make solicited sales to her DoN subordinates on the job or after work by calling them at home.

Representation of Others in Matters Affecting Government (18 U.S.C. 203/205)

Rule: You generally may not represent anyone outside the Government before a Federal agency or court, or share in any compensation for such representations made by anybody else, if the Government is involved in the particular matter.

- There are limited exceptions.
- There are special exceptions for Special Government Employees.
- Check with your ethics counselor.

Supplementation of Federal Salary (18 U.S.C. 209)

Rule: You may not accept compensation from any source except the Government for your services as a Government employee.

This rule does not apply, if:

- you are a "special Government employee", or
- you serve without compensation, or
- your supplementation is a result of a public service award
- you are a reservist on active duty being paid by your private employer

Impartiality in Performing Official Duties

Rule: Maintain your impartiality. Don't participate in any particular DoN matter if:

- the matter is likely to affect the financial interest of a member of your household, or a person with whom you have a "covered relationship" is involved in the matter, **and**
- a reasonable person with knowledge of the relevant facts could question your impartiality.

A senior VP from Blatz Corp. recently resigned from Blatz to become a senior official in DoN. Shortly after his arrival, the official's office is tasked to decide whether or not to renew Blatz's contract with DoN. Because the senior official was employed by Blatz within the last year, he may not make the decision

Who may be in a "covered relationship"?

- A member of your household or a relative with whom you're close,
- Someone with whom you have or seek to have a business relationship, other than a routine consumer transaction,
- An organization (other than a political party) in which you actively participate,
- Someone with whom you had, within the last year, a close business relationship, such as partnership or employment, **or**
- Someone with whom your spouse, parent, or dependent child has (or seeks to have) a close business relationship, such as partnership or employment.

Misuse of Position

Rule: You may not use, or permit the use of, your Government position, title, or any authority associated with your office:

- To induce or coerce another person to provide any benefit to you or anyone with whom you are affiliated

The General Counsel has been asked by his college to serve on the Alumni Association. He may serve in his personal capacity, but may not allow his position as General Counsel to be used on the college letterhead or other promotional literature.

- To imply that DoN or the Government endorses personal activities
- To endorse any product, service, or enterprise, except as provided by statute or regulation

USE OF GOVERNMENT RESOURCES

Rule: Use Federal Government equipment and property, including communications systems, only for official purposes or authorized purposes as approved by your supervisor.

Rule: Use official time in an honest effort to perform official duties, and don't ask subordinates to perform tasks outside their official duties.

FUNDRAISING

Rule: You may raise funds for organizations in your personal capacity, but you may not use your official title, position, or authority to fundraise, nor may you solicit subordinates or prohibited sources.

Oscar, who is the deputy director of a DoN office, is in charge of raising funds for his son's Little League team. Oscar may not ask his subordinates to contribute.

TEACHING, SPEAKING, AND WRITING

Rule: You may accept payment for teaching, speaking, or writing that is unrelated to your official duties and that was not prepared on official time.

- If your employment by DoN is identified, you must make a disclaimer.

Stu, an ethics attorney at DoN, has been offered $1500 to teach a 1-day course on Federal ethics to employees at Big Contractor, Inc. Because the topic relates to his official duties, he may not accept the compensation.

Outside Activities

Rule: If you file a financial disclosure report, you need your supervisor's prior written approval before you engage in business activity or employment with a DoN "prohibited source" (see page 2). Presidential appointees and certain non-career employees have additional restrictions – consult your ethics counselor.

Jill, who tests new computers for the office, wants to work on weekends for the vendor of those computers. Since her outside employment would cause a conflict of interest with her Government duties, she should not accept the job.

Rule: You may not have outside employment or activities that would materially impair your ability to perform your duties.

Political Activities

Most Federal civilian employees may actively participate in political campaigns and other partisan activities. However, they may not engage in such activities on duty, or in any Federal workplace, vehicle, or while in uniform. Certain other restrictions apply as well, e.g., being a candidate for a partisan political office and soliciting, receiving or accepting political contributions.

While recent amendments to the Hatch Act loosened restrictions on political activity for most Federal civilian employees, Federal laws still limit the political activities of military personnel, law enforcement, national security, and career SES employees. Moreover, by policy within DoD, employees appointed by the President and employees appointed by the Secretary to non-career SES positions may not engage in any activity that could be interpreted as associating DoD with any partisan cause or issue.

If you plan to engage in any partisan political activity, you should consult your ethics counselor.

EMPLOYMENT ISSUES

Janelle, a procurement specialist, is doing work as a Government employee on a contract worth $500,000. She is offered an interview for a job by the contractor. Janelle must disqualify or recuse herself and inform her supervisor and ethics official.

Seeking Employment

Rule: If you are seeking non-Federal employment (e.g., sending resumes to select employers), you may not do Government work on a particular matter that will affect the financial interests of any of your prospective employers. You must give a written disqualification statement to your supervisor.

Post-Government Employment

Rule:. When you consider post-government employment, there are a number of rules and restrictions that may affect whether you can accept compensation from a new employer and/or limit what service you can provide to a new employer, especially as it may relate to matters you worked on while you were a government employee. It is essential that you understand these rules before you undertake post-government employment. Always consult your ethics counselor before separating from the Government. He or she will advise you on the restrictions that will apply to your activities in the private sector in light of your specific duties and level of responsibility as a Government employee.

OFFICIAL TRAVEL BENEFITS

Benefits That You May Keep	Benefits That the Government Keeps
1. Frequent flyer miles earned on official travel belong to the Employee. Among other things, they may be used for: official travel (tickets), upgrades (to premium class other than first class), when on official travel, or for personal purposes. 2. Benefits given for voluntarily surrendering your airplane seat while TDY for a seat on a later flight You may volunteer ONLY if the delay does not adversely affect your official duties and does not result in additional cost to the Government. 3. On-the-spot upgrades in transportation or accommodation, if generally available 4. Benefits such as "Gold Card Memberships," and any resulting benefits 5. Life insurance benefits offered to you by travel management contractors	1. Vouchers given to compensate you for being involuntarily bumped from a plane 2. Prizes won, while TDY, in contests closed to the general public. 3. Gifts given to or won by you while TDY at a conference, hotel, or while renting a car, where you have not taken any affirmative action, including: door prizes buy-one-get-one-free vouchers, sweepstakes prizes

SOURCES OF FURTHER INFORMATION

If you have further questions, consult a DoN ethics counselor.

Additional information is available in:

1. **Standards of Conduct for Employees of the Executive Branch (5 C.F.R. 2635)**

   The U.S. Office of Government Ethics has developed a comprehensive set of regulations to assist Federal employees with their ethics questions. This is a primary source of guidance on ethics and standards of conduct. It may be found on the Office of Government Ethics website:

   http://www.usoge.gov/laws_regs/regulations/5cfr2635.aspx

2. **DoD 5500.7-R, the Joint Ethics Regulation ("JER")**

   The JER contains supplemental regulations for DoD employees. It may be found on the DoD Standards of Conduct Office website:

   http://www.dod.mil/dodgc/defense_ethics/ethics_regulation/jer1-6.doc

3. **Assistant General Counsel (Ethics) Website**

   Ethics related information, links, forms, training materials, and other resources are available on the AGC(E) website at: http://ethics.navy.mil or https://donogc.navy.mil/ethics (CAC required).

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