ETHICS GUIDE FOR ADVISORY COMMITTEE MEMBERS AND OTHER INDIVIDUALS APPOINTED AS SPECIAL GOVERNMENT EMPLOYEES (SGEs)



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INTRODUCTION

This summary has been prepared for individuals appointed to serve as "special Government employees" (SGEs) on U.S. Department of the Interior (DOI) advisory committees or boards, committees, councils, or commissions that are attached to the DOI for purposes of administration (hereinafter, non-advisory committees will be referred to as "other boards, committees, councils, or commissions"). The information also applies to and will be useful to other SGEs without committee responsibilities, such as "experts or consultants" or "personal services contractors."

New appointees, especially those that provide temporary, intermittent services only a few days a year, often are surprised by, or even concerned by, the complexity of the rules governing Federal employees. The ethics rules may not appear to many people to be logical, intuitive, or even, fair. Ignoring these rules, however, can result in serious consequences or embarrassment, both personally and for the DOI. Therefore, if SGEs have questions on any of the topics covered in this guidance, they should consult with the Departmental Ethics Office and, if applicable, the Designated Federal Official responsible for their committee.

DEFINITION OF SPECIAL GOVERNMENT EMPLOYEE

The SGE category was created by Congress as a way to apply an important, but limited, set of conflict of interest requirements to a group of individuals who provide important, but limited, services to the Government. SGEs are Government employees, for purposes of the conflict of interest laws. A "special Government employee" is an officer or employee in the executive branch of the Federal Government who is appointed to perform important but limited services to the Government, with or without compensation, for a period not to exceed 130 days during any period of 365 consecutive days. 18 U.S.C. § 202(a). This status is important because the ethics rules for SGEs are somewhat less restrictive than the rules for other Federal employees and officials. Some members of committees are appointed for a multi-year term. During each year of their term of appointment, committee members generally will not be expected to perform work for DOI in excess of 130 days during any period of 365 consecutive days.

FINANCIAL DISCLOSURE REPORTING REQUIREMENTS

Individuals appointed as SGEs at the DOI and who serve on advisory committees or other boards, committees, councils, or commissions are required under the Ethics in Government Act, as amended by the Ethics Reform Act of 1989, and 5 C.F.R. Part 2634, to file a financial disclosure report prior to their first appointment and annually thereafter. Committee members also may be required to update the information on the report before each meeting throughout their term of appointment. The information reported is used to determine the matters for which a committee member must be disqualified under the criminal financial conflict of interest statute, 18 U.S.C. § 208(a), and the matters for which a committee member may be granted a waiver under 18 U.S.C. § 208(b).

Complete reporting is essential in order to protect an SGE from inadvertently violating any of the criminal conflict of interest statutes, and to assure the public that the advice provided by DOI advisory committees or other boards, committees, councils, or commissions is free from any real, or perceived, conflicts of interest. The information reported by SGEs is confidential and may not be released except under the limited circumstances described in the Privacy Act notice provided with the report or by order of a Federal court. (SGEs who serve or are expected to serve more than 60 days in any calendar year and who are compensated at certain pay levels may be required to file a publicly available financial disclosure report.)

ETHICS TRAINING REQUIREMENTS

Individuals who are appointed as SGEs at the DOI and who serve on advisory committees or other boards, committees, councils, or commissions are also required under the Ethics in Government Act, as amended by the Ethics Reform Act of 1989, and 5 C.F.R. Part 2638 Subpart C, to complete ethics training before the first meeting of their appointed entity and annually thereafter. After an SGE's appointment letter has been signed by the Secretary and sent to the appointee, an ethics official from DOI, in coordination with the Designated Federal Officer or committee manager, will provide the required ethics training.

Upon appointment, SGEs will be notified of the ethical obligations associated with their positions, which includes training requirements. SGEs should expect, consistent with federal ethics regulations (5 C.F.R. 2638.304(b)(2)), to take initial ethics training prior to their first committee meeting or within three months of the appointment, whichever comes first. The initial ethics training will address applicable ethics rules related to financial conflicts of interest; impartiality; misuse of position; and gifts. Subsequently, as financial disclosure report filers, SGEs will be required to complete annual ethics training every year thereafter for the duration of their appointment.

CRIMINAL ETHICS STATUTES AND OTHER ETHICS REGULATIONS

Agency ethics officials regularly deal with several conflict of interest statutes found in the United States Code: 18 U.S.C. §§ 201, 203, 205, 207, 208, 219. Each of these criminal statutes makes at least some special provision for the treatment of SGEs, sometimes limiting application of the statute for SGEs. Those special provisions often make distinctions between the different types of matters that arise in Government service and apply the statute to a specific type of matter for SGEs. To help understand the statutes, an explanation of the different types of matters that arise in Government service is set forth below, followed by application of these statutes. Additional ethics rules and requirements found in other provisions of law or regulation are also explained.

Identifying Matters and Particular Matters under the Ethics Rules

To determine whether an SGE may participate in a given matter, it must first be determined whether that matter is a broad policy directed to the interests of a large and diverse group of persons or one of the two types of particular matters -- a particular matter of general applicability or a particular matter involving specific parties.

In the context of the ethics rules, the unmodified term matter refers to virtually all Government work. It includes the consideration of broad policy options that are directed to the interests of a large and diverse group of persons. For instance, health and safety regulations applicable to all employers, or a legislative proposal for tax reform. It also includes more narrowly defined particular matters.



Matters* – Three Types

The term particular matter means only matters that involve deliberation, decision, or action that is focused on the interests of (1) specific persons or (2) a discrete and identifiable class of persons. These two types of particular matters are defined separately as particular matters involving specific parties and particular matters of general applicability.

A particular matter involving specific parties typically involves a specific proceeding affecting the legal rights of the parties, or an isolatable transaction or related set of transactions between identified parties. Examples include contracts, grants, licenses, investigations, litigation, and partnership agreements. This is the narrowest type of matter. For example, a commissioner of a DOI operating committee, who is also the president of a cultural song and dance group celebrating the same culture that the commission seeks to protect and nurture, would be faced with a particular matter involving specific parties if the cultural song and dance group applies for a grant from the operating committee.

A particular matter of general applicability does not involve specific parties but at least focuses on the interests of a discrete and identifiable class, such as a particular industry or profession. Examples include rulemaking, legislation, or policy-making of general applicability that affect a particular industry or profession. For instance, a regulation prescribing safety standards for operators of oil rigs in the Gulf of Mexico or a regulation applicable to all those who have grazing permits on DOI public lands. On the other hand, a land use plan covering a large geographic area and affecting a number of industries (e.g., agriculture; grazing; mining; timber; recreation; wind, solar, and/or geothermal power generation; etc.) would not constitute a particular matter of general applicability but, rather, would still fall within the broader definition of matter, as it constitutes a broad policy directed to the interests of a large and diverse group of persons.

It is important to pay close attention to which type of particular matter is involved in the work of a committee because the ethics rules may differ depending upon whether the work is appropriately considered a matter, a particular matter of general applicability, or a particular matter involving specific parties.

SGEs may be required to consider recusing from a matter in order to avoid a conflict of interest or the appearance of a conflict of interest. SGEs should seek the advice of the Departmental Ethics Office when considering whether recusal is appropriate. A recusal is appropriate when a conflict of interest exists between an SGE's official duties and financial interests or certain business or personal relationships or outside activities. SGEs who think they might need a recusal should seek assistance from the Departmental Ethics Office before commencing work on the matter in question or participating in any committee work on the matter.

CRIMINAL ETHICS STATUTES

The following criminal conflict of interest statutes apply to SGEs.

18 U.S.C. § 201 - Bribery of Public Officials Prohibited.

Section 201, commonly known as the "bribery and illegal gratuities" statute, prohibits Federal employees, including SGEs, from seeking, accepting, or agreeing to receive anything of value in return for being influenced in the performance of an official act.

18 U.S.C. § 203 - Restrictions on Compensated Representational Activities.

Section 203 prohibits an SGE from receiving compensation for <u>representational services</u> rendered by the employee or another person before the DOI or another Federal agency or other specified entity (such as a court or commission) in any <u>particular matter involving a specific</u> <u>party</u> (i) in which the SGE has participated personally and substantially as a Government employee, or (ii) which is pending in the Government agency in which the SGE is serving if the SGE has served for more than 60 days during the immediately preceding 365 days.

For example, if an SGE is a member of a lobbying firm and another member of their firm contacts any Federal agency, including DOI, on behalf of a client of the firm regarding a contract with the Government during the SGE's appointment and they provided advice on that same contract as an SGE, they may not share in the compensation for such services, for example, through partnership income or profit-sharing arrangements, paid to the SGE's firm for the communications made by any member of the firm to the Federal agency on that contract.

Exempted from the prohibition in Section 203 are representations required in the proper discharge of official Government duties. Also exempted are representations determined by the head of the agency to be required in the performance of work under a grant, contract, or other agreement with or for the benefit of the Government.

<u>Representational services</u> include communications (written or oral) and appearances made on behalf of someone else, generally with the intent to influence or persuade the Government. A mere inquiry as to the status of a pending matter is not necessarily a representation, although depending upon the context of the inquiry, it could give rise to the appearance of, or an actual, prohibited representation. To avoid problems, committee members are advised not to contact Department staff concerning any matters pending before the agency, or as to which the agency has an interest.

18 U.S.C. § 205 – Restrictions on Acting as an Agent or Attorney

Section 205 prohibits an SGE from <u>representing</u> a party, with or without compensation, before the DOI or another Federal agency or other specified entity (such as a court or commission) in any <u>particular matter involving a specific party</u> in which the United States is a party or has a direct and substantial interest: (i) that the SGE participated in personally and substantially as a

Government employee; or (ii) which is pending in the agency in which the SGE is serving, if the SGE has served for more than 60 days during the immediately preceding 365 days.

18 U.S.C. § 207 – Post-Government Employment Restrictions

Section 207, the "post-employment" statute, imposes a lifetime ban on a former SGE from representing another person or entity to DOI or another Federal agency or other specified entity (such as a court or commission) in any <u>particular matter involving a specific party</u> in which the former SGE participated personally and substantially while serving in the Government. In addition, for two years after terminating Federal employment, an SGE may not make such representational communications to the Government regarding particular matters involving specific party matters that were pending under his or her official responsibility during the last year of Government service. Moreover, "senior employees," those paid at an annual rate equivalent to or greater than level 5 for the Senior Executive Service, are subject to a one-year "cooling-off" period which precludes any contacts with their former agency on any matter for which official action is sought, even if the former employee had no involvement with the matter while in Government service. For SGEs, this one-year "cooling-off" period does not apply if the SGE served less than 60 days in the one-year period prior to termination of senior employee status.

18 U.S.C. § 208 – Financial Conflicts of Interest

Section 208(a), the main <u>conflict of interest</u> statute, prohibits an SGE from participating personally and substantially in <u>any particular matter</u> that could directly and predictably affect the financial interests of the SGE, the SGE's spouse, minor child, general partner, an organization in which the SGE serves as an officer, director, trustee, general partner, or employee, or an organization with which the SGE is negotiating or with which the SGE has an arrangement for prospective employment.

A recusal may be required in order to avoid a conflict of interest or the appearance of a conflict of interest. SGEs who think they might need a recusal should seek assistance from the Departmental Ethics Office before commencing work on the matter in question or participating in committee work on the matter.

A waiver for advisory committee members may be granted in certain circumstances under 18 U.S.C. § 208(b)(3). Section 208(b)(3) authorizes issuance of a waiver to an SGE who serves on a committee subject to the Federal Advisory Committee Act if the official responsible for the individual's appointment certifies in writing that the need for the individual's services outweighs the potential for a conflict of interest created by the particular financial interest involved. The waiver granted is considered a "general" waiver, in that it allows participation in matters that affect all institutions, or types of institutions, similarly. Even with a general waiver, however, SGEs must disqualify themselves from participation in all matters that specifically and uniquely affect their financial interests. Waivers must be granted and in place prior to an SGE's participation on the committee.

In addition, there is an automatic exemption which allows SGEs serving on Federal advisory committees to participate in particular matters of general applicability where the otherwise disqualifying financial interest arises solely from the committee member's non-Federal employment or prospective employment, provided that the matter will not have a special or distinct effect on the employee or employer other than as part of a class. This exemption is unavailable if the employee (or those persons whose interests are imputed to the employee) owns stock, stock options, or has some other financial interest in the employer other than his or her employment interest. Moreover, the non-Federal employment must involve an actual employee/employer relationship, as opposed to an independent contractor relationship (such as certain consulting positions).

SGEs who do not serve on Federal advisory committees are subject to more exacting waiver requirements under 18 U.S.C. § 208(b)(1), and the Departmental Ethics Office should be consulted if an SGE believes that a waiver may be needed.

In addition, under regulations issued by the Office of Government Ethics, certain regulatory exemptions from the disqualification requirement of 18 U.S.C. § 208 are available to all SGEs under certain circumstances, including instances involving the following classes of financial interests:

- interests held in certain broadly diversified investment funds;
- publicly traded securities of \$15,000 or less;
- publicly traded securities of \$25,000 or less if the matter is a general policy matter and the total value of all investments in the affected industry sector is no more than \$50,000;
- employment in one campus of a multi-campus state university if the matter affects only another campus and the employee does not have multi-campus responsibilities.

18 U.S.C § 219 – Agents and Lobbyists on Behalf of Foreign Principals

Section 219 prohibits an SGE from acting as an "agent of a foreign principal" as defined under the Foreign Agents Registration Act (FARA) or a "lobbyist" on behalf of a foreign entity that is required to register under the Lobbying Disclosure Act of 1995 (LDA).

The ban on participating in foreign agent activities covered by FARA prohibits representation of foreign governments or foreign political parties before the United States Government, as well as a number of other activities conducted within the United States on behalf of such entities: (1) political activities; (2) public relations counseling; (3) publicity agent activities; (4) information services; (5) political consulting; and (6) solicitation or disbursement of contributions, loans, money, or other things of value where such services are rendered with the intent to influence the American public or the Government, with reference to formulating the domestic or foreign policies of the United States, or with reference to the political or public interests, policies or relations of a government of a foreign country or a foreign political party.

There are certain FARA exceptions related to trade or commerce, legal representation, humanitarian fundraising, and religious, scholastic, or scientific pursuits. The head of an agency

may authorize the employment of an agent for a foreign entity as an SGE upon a certification that such action is in the national interest. The LDA ban prohibits certain lobbying of covered legislative and executive branch officials on behalf of foreign corporations, associations, or other organizations.

STANDARDS OF ETHICAL CONDUCT

In addition to criminal statutes, the conduct of SGEs is governed by a series of ethics rules set forth in the Standards of Ethical Conduct regulations (5 C.F.R. Part 2635) that pertain to SGEs at the Department during the term of their appointment.

I. Teaching, Speaking and Writing in a Personal Capacity (i.e., Other Than as a Government Employee)

Generally, during their term of appointment, SGEs may continue to receive fees, honoraria, and other compensation for teaching, speaking and writing undertaken in their personal or non-Governmental capacities. However, there are some limitations:

- A. An SGE is prohibited from receiving compensation for teaching, speaking, and writing that "relates to the employee's official duties." 5 C.F.R. § 2635.807. The "relatedness" test is met for an SGE if:
 - 1. the activity is undertaken as an official Government duty;
 - 2. the circumstances indicate that the invitation to engage in the activity was extended to the SGE primarily because of the employee's position in the Government rather than the employee's expertise in the particular subject matter;
 - 3. the invitation to engage in the activity or the offer of compensation for the activity was extended to the employee, directly or indirectly, by a person who has interests that may be affected substantially by the performance or nonperformance of the employee's official duties; or
 - 4. the information conveyed through the activity draws substantially on ideas or official data that are confidential or not publicly available.
- B. Additionally, if an SGE has not served or is not expected to serve for more than 60 days during the first year or any subsequent one year period of their appointment, the SGE may <u>not</u> accept compensation for teaching, speaking, and writing if the subject matter of the teaching, speaking or writing deals in significant part with a <u>particular matter involving specific parties</u> in which the SGE participated during the previous one year period, during the current

appointment, or is participating personally and substantially as a Government employee.

C. If an SGE serves or is expected to serve for more than 60 days during the first year or any subsequent one year period of their appointment, the SGE is additionally prohibited from receiving compensation for teaching, speaking, and writing if the subject of the activity deals in significant part with any matter to which the SGE is presently assigned or was assigned during the previous one-year period, during the current appointment.

EXCEPTIONS:

- 1. This rule does not preclude an SGE from receiving compensation for teaching, speaking, or writing on a subject within the SGE's discipline or inherent area of expertise based on the SGE's educational background or experience. The outside activity must not be about or distinctly related to the work the SGE is providing to the Government.
- 2. These restrictions also do not apply to teaching a course requiring multiple presentations that is part of the regularly established curriculum of an accredited public or other nonprofit institution of higher education, an elementary or secondary school, or a program of education or training sponsored and funded by the Federal, State, or local government that is not offered by an entity described above.

II. Gifts

Any gift given to an SGE because of the member's status as an SGE or service on a committee, or from a prohibited source, could raise concerns. The Departmental Ethics Office should be consulted should this situation arise. Gifts given to an SGE because of the SGE's position or achievements in the private (non-Government) sector generally do not raise concerns under the Standards of Ethical Conduct.

III. Charitable Fundraising

An SGE may engage in charitable fundraising in a personal capacity as long as the SGE does not personally solicit funds or other support from any person or entity known to the SGE to be a person or entity whose interests may be substantially affected by the performance or nonperformance of their Federal duties. 5 C.F.R. § 2635.808. If specific questions concerning particular fundraising events or activities should arise, the Departmental Ethics Office should be consulted.

IV. Expert Witness

An SGE cannot serve as an expert witness in a proceeding before a United States court or agency in which the United States is a party or has a direct and substantial interest, except on behalf of the United States, if the SGE participated, while a Federal employee, in the particular proceeding or in the particular matter that is the subject of the proceeding, unless authorized by the Department's Designated Agency Ethics Official (DAEO).

In addition, an SGE who was appointed by the President, serves on a commission established by statute, or has served or is expected to serve for more than 60 days in a period of 365 consecutive days, cannot serve, other than on behalf of the United States, as an expert witness, with or without compensation, in **any** proceeding before a United States court or agency in which the SGE's employing agency is a party or has a direct and substantial interest unless authorized by the DAEO. 5 C.F.R. § 2635.805.

V. Impartiality

Although SGEs are prohibited under 18 U.S.C. § 208(a) from participating in particular matters in which they have a direct or imputed financial interest, there may be other circumstances in which an SGE's participation in a <u>particular matter involving specific parties</u> would raise a question regarding the member's impartiality in the matter. For example, an SGE could be asked to review a particular matter involving someone with whom the SGE has a close personal or professional relationship, which would raise a concern about the SGE's impartiality in the review. In such circumstances, the SGE should discuss the relationship with the Departmental Ethics Office and a determination will be made as to whether the member should be disqualified from participation in the specific party matter, or should be granted an "authorization" to permit the member to participate in such matter. 5 C.F.R § 2635.502.

VI. Misuse of Position

Committee members are subject to a number of prohibitions intended to address the use, or appearance of use, of "public office for private gain." 5 C.F.R. Part 2635, Subpart G. These prohibitions include:

- A. Using their DOI titles or referring to their Government positions for their own private gain, the private gain of friends, relatives, or anyone with whom they are affiliated in a non-Governmental capacity (including nonprofit organizations which they serve as officers, members, employees, or in any other business relationship), or for the endorsement of any product, service, or enterprise.
- B. Using their DOI titles or Government positions to coerce or induce another person to provide any benefit to themselves or another person.

- C. Using or permitting the use of their Government position or title or any authority associated with their public office in a manner that could reasonably be construed to imply that their agency or the Government sanctions or endorses their personal activities or those of another.
- D. Engaging in a financial transaction using nonpublic information or allowing the improper use of non-public Government information to further their own private interests or those of another or disclosing confidential or non-public information without authorization.
- E. Using Government property for unauthorized purposes.

VII. <u>Disclosing Nonpublic Information</u>

The Standards of Conduct prohibit employees, including SGEs, from disclosing nonpublic information to further their private interests or the private interests of others. See 5 C.F.R. § 2635.703. This prohibition applies without regard to the medium used for the unauthorized disclosure. In addition to the Standards of Conduct, other statutes and regulations prohibit the disclosure of specific categories of nonpublic information, such as classified or confidential information. SGEs must follow the rules regarding the disclosure of nonpublic information found in the Standards of Conduct and all other applicable rules when using social media.

EMPLOYMENT BY OR GIFTS FROM FOREIGN GOVERNMENTS

The Emoluments Clause of the U.S. Constitution prohibits an SGE's employment by a foreign government, including political subdivisions of a foreign government. For SGEs, this provision has particular relevance to positions with foreign universities that are government-operated, as opposed to private institutions. United States Constitution, art. I § 9, cl. 8. There are also statutory provisions restricting acceptance of gifts from foreign governments. 5 U.S.C. § 7342. Committee members should consult with the Departmental Ethics Office for further information about these restrictions. Employment or consultation with a foreign entity for the purpose of providing foreign agent representation or lobbying is barred by a criminal statute; see the discussion above concerning 18 U.S.C. § 219.

LOBBYING ACTIVITIES

In their official capacities, SGEs are prohibited from engaging in any activity which directly or indirectly encourages or directs any person or organization to lobby one or more members of Congress. 18 U.S.C. § 1913. When authorized, committee members may appear before any individual or group for the purpose of informing or educating the public about a particular policy or legislative proposal. SGEs also may communicate to Members of Congress at the request of any Representative or Senator. Communications to Members of Congress or other elected

officials initiated by SGEs, in their official capacity as members of the committee, should be coordinated through the Department.

As private citizens, SGEs may express their personal views (but not the views of a committee as a whole or the opinions of Department) to anyone. In doing so, SGEs may state their affiliation with the Department, may factually state the Department's official position on the matter (to the extent that non-public information is not used), but may not take new positions and represent those views as the Department's position on the matter.

Moreover, in expressing their private views, as with all other personal (non-Governmental) activities, SGEs are not permitted to use Government computers, copiers, telephones, letterhead, staff resources, or other resources acquired with appropriated funds. All personal activities must occur "off duty time." SGEs are prohibited in their personal capacities from making representations on behalf of others, to the Government, on particular matters involving specific parties in which they were involved as Federal employees. (See discussion above under 18 U.S.C. §§ 203 and 205.)

POLITICAL ACTIVITIES

The Hatch Act (5 U.S.C. §§ 7321-7326) prescribes the restrictions on certain political activities of Federal employees (see the explanatory chart below). Unlike the criminal conflict of interest statutes and the Standards of Conduct, which are fully applicable to an SGE throughout the SGE's entire term of appointment, the Hatch Act restrictions apply only during the period of any day in which the SGE actually is performing government business. For example, if an SGE attends an advisory committee meeting from 8:00 a.m. - 1:00 p.m., the SGE could attend a political fundraiser at 3:00 p.m. and even solicit political contributions from the attendees.

A series of criminal political statutes (18 U.S.C. §§ 595, 600-603, 606-607, 610), however, still applies to SGEs even on non-duty hours. These sections, which focus on patronage crimes and election offenses, prohibit coercive "political shakedowns," intimidation regarding political activities, campaign fundraising on Federal property, and the use of public office or authority for the purpose of affecting the outcome of an election.

Hatch Act: Permitted and Prohibited Activities for Federal Employees, including SGEs when Conducting Official Department Business

Permitted Activities (when not conducting official Department business)	Prohibited Activities (when conducting official Department business)
 May be candidates in non-partisan elections. May register and vote as they choose. May assist in voter registration drives. May contribute money to partisan groups and candidates in partisan elections. May attend political fundraisers. May attend and be active at political rallies and meetings. May join, be active, and hold office in partisan groups. May sign and circulate nominating petitions. May make campaign speeches for candidates in partisan elections. May distribute campaign literature in partisan elections. May campaign for or against referendum questions, constitutional amendments, or municipal ordinances. May express opinions about partisan groups and candidates in partisan elections while not at work or using official authority. 	 May not be candidates in partisan elections. May not use official authority to interfere with an election or while engaged in political activity. May not invite subordinate employees to political events or otherwise suggest that they engage in political activity. May not knowingly solicit or discourage the political activity of any person with business before the agency. May not solicit, accept, or receive political contributions (including hosting or inviting others to political fundraisers) unless both persons are members of the same federal labor or employee organization, the person solicited is not a subordinate employee, the solicitation is for a contribution to the organization's political action committee, and the solicitation does not occur while on duty or in the workplace. May not engage in political activity while on duty, in the workplace, wearing a uniform or official insignia, or in a government vehicle. For example: May not wear, display, or distribute partisan materials or items. May not make political contributions. May not use email or social media to engage in political activity.