

CHAPTER 1

ETHICS

NOTE: This chapter should be read in conjunction with local activity instructions and with any negotiated agreements between your activity and an exclusively recognized labor organization. Contract language will generally take precedence over conflicting provisions in this manual. Areas of uncertainty should be discussed with the Human Resources Office.

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The Merit Principles
(Adapted from § 2301 (b) of title 5 U.S.C.)
Human Resources Management
“Acting as you would want others to treat you”.

There are certain business management methods used in choosing a course of action to pursue in resolving human resources issues. There are nine merit principles, adapted from 2301(b) of title 5 U.S.C. that guide all actions of Federal managers. These principles will not be discussed in detail in this manual, but can be found at <http://www.4.law.cornell.edu/uscode/5/2301.html>. It is important that you take the time to read these principles. As you go through the information in this manual, you will see how these principles are applied in the daily course of business.

Merit Principles

- **Recruit, select and advance on merit after fair and open competition.**
- **Treat employees and applicants fairly and equitably.**
- **Provide equal pay for equal work and reward excellent performance.**
- **Maintain high standards of integrity, conduct, and concern for the public interest.**
- **Manage employees efficiently and effectively.**
- **Retain and separate employees on the basis of their performance.**
- **Educate and train employees if it will result in better organizational or individual performance.**
- **Protect employees against reprisal for the lawful disclosure of information, e.g. “histle blowing” situations.**





PROHIBITED PERSONNEL PRACTICES



Twelve prohibited personnel practices, including reprisal for whistle blowing, are defined by law at § 2302(b) of title 5 of the United States Code (U.S.C.). A personnel action (such as an appointment, promotion, reassignment, or suspension) may need to be involved for a prohibited personnel practice to occur. Generally stated, § 2302(b) provides that a federal employee authorized to take, direct others to take, recommend or approve any personnel action may *not*:

1. Discriminate against an employee or applicant based on race, color, religion, sex, national origin, age, handicapping condition, marital status, or political affiliation;
2. Solicit or consider employment recommendations based on factors other than personal knowledge or records of job-related abilities or characteristics;
3. Coerce the political activity of any person;
4. Deceive or willfully obstruct anyone from competing for employment;
5. Influence anyone to withdraw from competition for any position so as to improve or injure the employment prospects of any other person;
6. Give an unauthorized preference or advantage to anyone so as to improve or injure the employment prospects of any particular employee or applicant;
7. Engage in nepotism (*i.e.*, hire, promote, or advocate the hiring or promotion of relatives);
8. Engage in reprisal for whistle blowing—*i.e.*, take, fail to take, or threaten to take or fail to take a personnel action against an employee or applicant for disclosing to the Special Counsel, or to an Inspector General or comparable agency official (or others, except when disclosure is barred by law, or by Executive Order to avoid harm to the national defense or foreign affairs), information which the employee or applicant reasonably believes evidences a violation of any law, rule or regulation; gross mismanagement; a gross waste of funds; an abuse of authority; or a substantial and specific danger to public health or safety);
9. Take, fail to take, or threaten to take or fail to take a personnel action against an employee or applicant for exercising an appeal, complaint, or grievance right; testifying for or assisting another in exercising such a right; cooperating with or disclosing information to the Special Counsel or to an Inspector General; or refusing to obey an order that would require the individual to violate a law;
10. Discriminate based on personal conduct which is not adverse to the on-the-job performance of an employee, applicant, or others;
11. Take or fail to take, recommend, or approve a personnel action if taking or failing to take such an action would violate a veterans' preference requirement;
12. Take or fail to take a personnel action, if taking or failing to take action would violate any law, rule or regulation implementing or directly concerning merit system principles at 5 U.S.C. § 2301.

EMPLOYEE ETHICS

1. PURPOSE

Reference a. states in part that a "single, uniform source of standards of ethical conduct and ethics guidance shall be maintained within DOD, and each DOD Agency shall implement and administer a comprehensive ethics program to ensure compliance with such standards and guidance, " Reference b. states in part that "Individual conduct, official programs and daily activities within DOD shall be accomplished ethically and lawfully."

2. GENERAL

Ethics are standards by which one should act based on values. Values are core beliefs such as duty, honor, and integrity that motivate attitudes and actions. Not all values are ethical values (integrity is; happiness is not). Ethical values relate to what is right and wrong and thus take precedence over non-ethical values when making ethical decisions. DOD employees should carefully consider ethical values when making decisions as part of official duties. Federal employees must conduct themselves in a manner that promotes public confidence in the integrity of the Federal Government. This section outlines standards of conduct expected of all federal employees.

3. PROPER CONDUCT OF OFFICIAL ACTIVITIES

Employees shall become familiar with the scope and limitations of the authority afforded by their position. Employees may not make or recommend any expenditure of funds, or take or recommend any action known to be in violation of statute, Executive Order, or regulation. Any doubt as to the propriety of a proposed action or decision shall be directed to the activity legal officer or ethics officer.

4. CONDUCT PREJUDICIAL TO THE GOVERNMENT

Employees must avoid any action that might result in or create the appearance of the following:

- Using public office for private gain.
- Giving preferential treatment to any organization or person.
- Impeding efficiency or economy.
- Losing independence or impartiality of action.
- Making work-related decision outside official channels.
- Affecting adversely the confidence of the public in the integrity of the government.

5. CONFLICT OF INTERESTS

a. Affiliations and Financial Interests

Employees may not have direct or indirect financial interests that conflict, or appear to conflict with their duties and responsibilities as federal employees. Employees who have or who acquire an affiliation or a financial interest that conflicts or creates the appearance of a conflict with their official duties shall report the matter to the activity ethics officer or legal officer.

HUMAN RESOURCES MANUAL

b. Disclosure of Information

Within the scope of ethical conduct there is a general prohibition against an employee using official information that has not been made available to the general public to further a private interest. In addition, employees may not disclose information that is specifically protected by law (e.g. protected by the Privacy Act) or information that could compromise national security. Further, employees may not release any information concerning proposed acquisitions or purchases by any defense contracting activity.

c. Using Government Position

Employees are prohibited from using their position to induce, coerce, or in any manner influence any person, including subordinates, to provide any benefit to themselves or others.

d. Membership in Associations

Employees who are members or officers of non-government associations or organizations must avoid actions on behalf of the association or organization that are incompatible with their official government positions.

6. SOLICITATION AND FUND-RAISING ACTIVITIES

a. Activities on official time are restricted to those officially sanctioned by the government or the Department of the Navy (DON) (e.g., Combined Federal Campaign, Navy Relief Society). Other fund-raising or solicitation efforts during official time are prohibited.

b. DOD employees shall not officially endorse or appear to endorse membership drives or fundraising for any non-Federal entity except the following organizations which are not subject to the provisions of subsection 3-211 of DOD 5500 7-R:

- The Combined Federal Campaign (CFC)
- Emergency and disaster appeals approved by the Office of Personnel Management (OPM)
- Army Emergency Relief
- Navy-Marine Corps Relief Society
- Air Force Assistance Fund
- Other organizations composed primarily of DOD employees or their dependents when fundraising among their own members for the benefit of welfare funds for their own members or their dependents when approved by the head of the DOD component command or organization after consultation with the DAEO or designee. (This includes most morale, welfare and recreation programs, regardless of funding sources).

7. GRATUITIES AND GIFTS

a. Generally, employees are prohibited from receiving or soliciting anything of value (gifts, gratuities, loans, entertainment or favors) for themselves or members of their families from or on behalf of a defense contractor, foreign government, or other entity having business or financial relations with the DOD or its components. Supervisors shall under no circumstances solicit gifts or donations from subordinates. However,

HUMAN RESOURCES MANUAL

voluntary gifts or contributions of nominal value to mark a personal occasion (e.g., marriage, transfer, or death of a family member) may be accepted.

b. Gifts From a Group That Includes a Subordinate

Regardless of the number of DOD employees contributing to a gift or gifts on a special, infrequent occasion as permitted by 5 CFR 2635.304(c)(1) in subsection 2-100 of DOD 5500 7-R JER, a DOD employee may not accept a gift or gifts from a donating group if the market value exceeds an aggregate of \$300 and if the DOD employee knows or has reason to know that any member of the donating group is his subordinate.

c. Voluntary Contribution

The nominal amount of a voluntary contribution that a DOD employee may solicit from another DOD employee for a group gift to the contributing DOD employee's superior for any special, infrequent occasion shall not exceed \$10. A voluntary contribution of a nominal amount for food, refreshments and entertainment for the superior, the personal guests of the superior and other attendees at an event to mark the occasion for which a group gift is given may be solicited as a separate, voluntary contribution not subject to the \$10 limit.

8. USE OF GOVERNMENT FACILITIES, PROPERTY, AND MANPOWER

a. Government facilities, property, and manpower (such as government-owned telephones, facsimile machines, electronic mail, internet systems and communications systems, stationery, stenographic and typing assistance) shall be used for **official use and authorized purposes only**.

b. Official Use

- Includes emergency communications and communications that DON determines are necessary in the interest of the Federal Government.
- In the interest of morale and welfare may include communications by employees who are deployed for extended periods away from home on official DOD business when authorized by theater commanders.

c. Authorized Purposes

- 1) Brief communications by employees while they are traveling on government business to notify family members of official transportation and schedule changes.
- 2) Personal communication from the employee's usual workplace that are most reasonably made while at the workplace, such as the following:
 - Checking with spouse or minor children
 - Scheduling appointments such as doctor or auto and home repair appointments
 - Brief internet searches, provided they do not adversely impact performance of official duties by the employee or the employees organization and are of reasonable duration and frequency and whenever possible made during the employees personal time such as after work hours and on lunch periods.

d. References

- 1) DOD Directive Number 5500.7 Standards of Conduct of Aug 30, 1993
- 2) DOD Directive 5500.7-R Joint Ethics Regulation (JER) of Aug 30, 1993
- 3) www.defenselink.mil/dodgc/defense_ethics is the web site for Department of Defense Standard of Conduct Office and contains an on-line Ethics Resource Library and the full text of the Joint Ethics Regulation (JER) 5500.7-R
- 4) Waiver of 18 USC 208(a). Miscellaneous exemptions from application of 18 U.S.C. 208(a) appear in 5 CFR 2640 in subsection 5-200 of DOD 5500 7-R. Pursuant to 18 USC 208(b) application of 18 USC 208(a) may be waived by individual Agencies. The regulatory waivers for DOD under 18 USC 208(b)(2) for the Department of the Navy, such waivers appear in SECNAVINST 5370.2J, which is listed in the Appendix D to DOD 5500 7-R.
- 5) The DOD directives 5500.7 and 5500.7-R are the single uniform sources of standards of ethical conduct for all DOD.

9. OUTSIDE EMPLOYMENT

- a. Employees shall not engage in outside employment or activity, with or without compensation, that interferes with or is incompatible with the performance of their government duties or that may reasonably bring discredit upon the government or the Navy.
- b. A DOD employee, other than a special government employee, who is required to file a financial disclosure report, SF 450 or SF 278, **shall** obtain written approval from the Agency Designee before engaging in a business activity or compensated outside employment with a prohibited source, unless general approval has been given in accordance with subsection 3-306b of DOD 5500 7-R.
- c. Approval shall be granted unless a determination is made that the business activity or compensated outside employment is expected to involve conduct prohibited by statute or regulation.

10. GAMBLING, BETTING, AND LOTTERIES

- a. While on government-owned, leased, or controlled property, or otherwise while on duty for the government, employees **shall not** participate in any gambling activity prohibited by 5 CFR 735.201, including a lottery, pool, or game for money or property.
- b. **Exceptions**
 - Activities necessitated by a DOD employee's law enforcement duties
 - Activities by organizations composed primarily of DOD employees or their dependents for the benefit of welfare funds for their own members or for the benefit of other DOD employees or their dependents, subject to the limitations of local law and subsections 3-210 and 3-211 of DOD Instruction 5500 7-R, below, when approved by the head of the DOD Component or designee.

HUMAN RESOURCES MANUAL

- Private wagers among DOD employees if based on a personal relationship and transacted entirely within assigned Federal Government living quarters and within the limitations of local laws.
- Purchases of lottery tickets authorized by any State from blind vendors licensed to operate vending facilities in accordance with 20 USC 107a(5).

11. TEACHING, SPEAKING AND WRITING

- a. A DOD employee who uses or permits the use of his military grade or who includes or permits the inclusion of his title or position as one of several biographical details given to identify himself in connection with teaching, speaking or writing, in accordance with 5 CFR 2635.807(b)(1), shall make a disclaimer if the subject of the teaching, speaking or writing deals in significant part with any ongoing or announced policy, program or operation of the DOD employee's Agency, as defined in subsection 2-201 of DOD 5500 7-R , and the DOD employee has not been authorized by appropriate Agency authority to present that material as the Agency's position.
- b. The required disclaimer shall expressly state that the views presented are those of the speaker or author and do not necessarily represent the views of DOD or its components.
- c. Where a disclaimer is required for an article, book or other writing, the disclaimer shall be printed in a reasonably prominent position in the writing itself. Where a disclaimer is required for a speech or other oral presentation, the disclaimer may be given orally provided it is given at the beginning of the oral presentation.

12. TRAVEL BENEFITS

- a. The Fiscal Year 2002 DOD Authorization Act (S. 1438) Section 1116 repeals Section 6008 of the Federal Acquisition Streamlining Act of 1994 (5 U.S.C. 5702 note). This allows Federal employees, military personnel, members of the Foreign Service, and family members to retain promotional items, such as frequent flyer miles, for their personal use. Further guidance is available at <http://www.dtic.mil/perdiem/jtr.html>.
- b. Travelers must comply with Federal and Departmental ethics rules when accepting travel benefits (i.e., goods, services or payment) from non-Federal sources. See Joint Ethics Regulation, DOD 5500.7-R, Chapter 4.
- c. Travelers may keep items of nominal value (as defined in applicable ethics regulations).
- d. Retaining Promotional Items**
 - 1) A traveler on official business traveling at Government expense on the funds of an agency may keep promotional material (including frequent traveler benefits such as points or miles, upgrades, or access to carrier clubs or facilities) for personal use. This applies to promotional items received before, on, or after 31 December 2001.
 - 2) The promotional material must be obtained under the same terms as those offered to the general public and must be at no additional Government cost.

e. **Examples of Benefits Treated as Gifts to an Individual**

1) **Travel Upgrades**

Travel upgrades are commonly offered for such travel accommodations as airline seats, rental cars, and hotel rooms. Some travel upgrades are given on the spot without any prearranged entitlement. Others are provided pursuant to some prearranged entitlement, such as a coupon. DOD employees on official travel may accept benefits such as an airline seat upgrade to first class, a luxury rental car in place of a compact, or a hotel room with a view instead of an interior room, for official use as long as there is no extra charge to the Federal Government to obtain the upgrade (see 5 CFR 2635.204(c) in subsection 2-100 of DOD 5500 7-R subject to the following:

2) **On-the-Spot Upgrades**

DOD employees may accept an upgrade offered on the spot under circumstances in which such upgrades are generally available to the public or at least to all Federal Government employees or all military members. For example, a travel company may provide upgrades to remedy overbooking or overcrowding, due to a shortage of smaller cars, or simply for customer relation purposes; or upgrades may be offered to all military members in uniform. No upgrade may be accepted, however, if it is provided on the basis of the DOD employee's grade or position. Upgrades resulting from involuntary "bumping" while on official travel may not be used for personal travel.

3) **Use of Upgrade Certificates (Other Than Those Obtained for Frequent Flyer Miles)**

Some travel companies distribute coupons for free travel upgrades as a promotional offer. DOD employees may accept and use such coupons if they are realistically available to the general public (e.g., widely available coupons usable by bearer) or to all Federal Government employees or all military members (e.g., coupons available to any Federal Government employee for official travel). DOD employees may not use coupons provided on the basis of their grade or position.

4) **"Gold Card" and Similar Memberships**

Certain airlines offer special benefits, including free upgrades, to members of their traveler incentive programs (e.g., Gold card, Key Club, etc.). Membership in these programs ordinarily is earned by accumulating a large number of travel miles during the current calendar year, or in some cases, memberships may be purchased. DOD employees who obtain eligibility under these circumstances (i.e., by purchasing a membership with their personal funds or by accumulating the necessary miles, even by official travel) may accept the membership and resulting benefits, including travel upgrades. If membership in the program is offered to DOD employees who have not met the usual requirements for membership, however, primarily because of the DOD employee's grade or position, neither the membership nor its benefits may be accepted.

5) **Prizes in "Open" and "Closed" Contests**

When travel companies and related organizations offer prizes in a competition that is open to the general public, so that no one must perform official travel to win, a DOD employee may keep any prize he wins, even if he happened to enter the contest only because of official travel (e.g., a DOD employee flying on official business receives the winning entry blank in an airline's contest while on the flight, but individuals not using the airline will be given the entry blank on request).

6) **Incentives for Voluntary Surrender of Flight Reservations**

DOD employees may keep payments or free tickets received from a carrier for voluntarily giving up a seat on an overbooked flight. DOD employees on official travel may not voluntarily surrender their seats if the resulting delay would interfere with the performance of duties. The delay may not increase the cost to the Federal Government. Therefore, travel vouchers should disclose the voluntary surrender and resulting delays and leave must be taken as appropriate.

13. **BRIBERY AND GRAFT**

- a. All DOD employees are prohibited from, directly or indirectly, giving, offering, promising, demanding, seeking, receiving, accepting, or agreeing to receive anything of value to influence any official act, to influence commission of fraud on the United States, to induce committing or omitting any act in violation of a lawful duty, or to influence testimony given before an individual or non-Federal entity authorized to hear evidence or take testimony.
- b. DOD employees are also prohibited, except as provided by law for the proper discharge of official duties, from, directly or indirectly, giving, offering, promising, demanding, seeking, receiving, accepting, or agreeing to accept anything of value for or because of any official act performed or to be performed, or for or because of any testimony given or to be given before an individual or non-Federal entity authorized to hear evidence or take testimony.

14. **REPRESENTATION OF OTHERS PROHIBITED UNDER 18 USC 205**

Prohibits DOD employees, other than enlisted members, whether or not they are employed for compensation, from personally acting as an agent or attorney for anyone else before a department, agency, or court in connection with any covered matter in which the United States is a party or has a direct and substantial interest or from prosecuting any claim against the Federal Government or receiving any gratuity or interest in such claim for assistance in prosecuting the claim.

15. **POLITICAL ACTIVITY**

- a. The law on prohibited political activity, commonly called the Hatch Act, regulates political association and participation by federal employees. All full-time and part-time employees are subject to the restrictions of the Hatch Act. Intermittent employees are subject to the Act for the 24 hours of the days of actual work. Coverage by the Hatch Act continues while employees are in a leave or furlough status.

b. Permissible Activities

Subject to subsections 6-202 and 6-203 of DOD 5500 7-R, civilian DOD employees may, in their personal capacities, perform the following:

- Be candidates for public office in nonpartisan elections.
- Register and vote as they choose.
- Assist in voter registration drives.
- Express opinions about candidates and issues.
- Contribute money to political organizations.
- Attend political fundraising functions.
- Attend and be active at political rallies and meetings.
- Join and be an active member of a political party or club.
- Sign nominating petitions.
- Campaign for or against referendum questions, constitutional amendments, or municipal ordinances.

- Campaign for or against candidates in partisan elections.
- Make campaign speeches for candidates in partisan elections.
- Distribute campaign literature in partisan elections.
- Hold office in political clubs or parties.

c. Prohibited Activities

Civilian DOD employees may not:

- Use official authority or influence for the purpose of interfering with or affecting the result of an election.
- Collect political contributions unless both the collector and the donor are members of the same Federal labor organization or employee organization and the donor is not a subordinate.
- Knowingly solicit or discourage the political activity of any person who has business with DOD.
- Engage in political activity while on duty.
- Engage in political activity while in any Federal workplace.
- Engage in political activity while wearing an official uniform or displaying official insignia identifying the office or position of the DOD employee.
- Engage in political activity while using a government owned or leased vehicle.
- Solicit political contributions from the general public.
- Be a candidate for public office in partisan elections.
- Wear political buttons on duty.
- Contribute to the political campaign of another Federal Government employee who is in the DOD employee's chain of command or supervision or who is the employing authority.

d. Violations

The Office of Special Counsel investigates and prosecutes employees for violating the Hatch Act. An employee who violates the Act may be removed from federal service. Questions concerning the Hatch Act may be directed to the Personnel Management Specialist the at Human Resources Office or the legal officer.

16. PUBLIC FINANCIAL DISCLOSURE REPORT (SF-278) (Individuals Required to File)

Covered Positions

For purposes of this section, the following individuals are in "covered positions" and are required by the Ethics in Government Act of 1978, Pub. L. 95-521 to file an SF 278, Appendix C of DOD 5500 7-R, with their DOD Component DAEO or designee as set out in subsection 7-205 of DOD 5500 7-R:

- Civilian Presidential appointees.
- Regular military officers whose pay grade is 0-7, or above, and Reserve officers whose pay grade is 0-7, or above, and who have served on active duty more than 60 days during a calendar year.
- Members of the Senior Executive Service.
- Other civilian DOD employees, including special Government employees, whose positions are classified above GS/GM-15 prescribed by 5 USC 5332 or civilian DOD employees under other pay systems whose rate of basic pay is fixed at or above 120% of the minimum rate of basic pay for a GS/GM-15.

HUMAN RESOURCES MANUAL

- DOD employees in the excepted service in positions that are of a confidential or policy-making character unless they have been excluded by the Director, OGE. See subsection 7-200.d. of DOD 5500 7-R.
- Individuals serving by appointment under the Intergovernmental Personnel Act, from State or local governments, institutions of higher education or other eligible organizations. See 5 USC 3371-3376.
- Civilian individuals who are detailed to positions described in subsection 7-200.a.(3) through 7-200.a.(5) of DOD 5500 7-R.
- DOD Component DAEOs.

17. CONFIDENTIAL FINANCIAL DISCLOSURE REPORT (SF 450) (Individuals Required to File)

a. Covered Positions

- 1) For purposes of this section, unless expressly exempted, the following individuals are in "covered positions" and are required by 5 CFR 2634 in subsection 7-100 of this Regulation, above, to file initial and annual SF 450, Appendix C of this Regulation, through their supervisor to their Ethics Counselor as set out in subsection 7-305 of DOD 5500 7-R.
- 2) Commanding officers, heads and deputy heads, and executive officers of the following:
 - Navy shore installations with 500 or more military and civilian DOD employees (including foreign nationals and indirect hire personnel regularly attached but excluding personnel attached for temporary duty).
 - All Army, Air Force, and Marine Corps installations, bases, air stations or activities.
- 2) Special government employees, except the following categories of DOD employees who are required to file reports only when specifically requested to do so by their supervisor.
 - Physicians, dentists, and allied medical specialists engaged only in providing services to patients.
 - Veterinarians providing only veterinary services.
 - Lecturers participating only in educational activities.
 - Chaplains performing only religious services.
 - Individuals in the motion picture or television fields who are utilized only as narrators or actors in DOD productions.
 - Reservists on active duty for less than 30 consecutive days during a calendar year.
 - Members of selection panels for ROTC candidates.

HUMAN RESOURCES MANUAL

- 3) DOD employees classified at GS/GM-15 or below under 5 USC 5332 or a comparable pay level under other authority, and members of the military below the grade of O-7 as follows:
 - When the official responsibilities of such DOD employees require them to participate personally and substantially through decision or exercise of significant judgment in taking an official action for contracting or procurement, administering or monitoring grants, subsidies, licenses or other federally conferred financial or operational benefits, regulating or auditing any non-federal entity, or other activities in which the final decision or action may have a direct and substantial economic impact on the interests of any non-federal entity.
 - Any DOD employees serving in a position in which his supervisor determines that the duties and responsibilities of the position require the DOD employee to file such a report to avoid an actual or apparent conflict of interest and to carry out the purpose of any statute, Executive Order, or regulation applicable to or administered by that reporting individual;
- 4) Individuals who are detailed to positions described in subsection 7-300.(3) of this Regulation, above.
- 5) Individuals serving on detail under the Intergovernmental Personnel Act, from state or local governments, institutions of higher education or other eligible organizations. See 5 USC. 3371-3376.

b. **Exclusions**

- 1) Individuals required to file an SF 278, Appendix C of this Regulation
- 2) Any DOD employee or group of DOD employees may be excluded from all or a portion of the reporting requirements when the DOD Component Head or designee determines that a report is unnecessary because of the remoteness of any impairment to the integrity of the Federal Government, because of the degree of supervision and review of the DOD employee's work, or because the use of an alternative procedure is adequate to prevent possible conflicts of interest. Any alternative procedure must be approved in writing by OGE.
- 3) DOD employees who are not employed in contracting or procurement and who have decision-making responsibilities regarding expenditures of less than \$2,500 per purchase and less than \$20,000 cumulatively per year are excluded from the requirement to file the OGE Form 450 (formerly SF 450). However, Agency Designees may require such DOD employees, in individual cases, to file the OGE Form 450. Such DOD employees remain subject to conflict of interest statutes and regulations.

18. **DEPARTMENT OF THE NAVY 18 USC 208(b)(2) WAIVER SECNAVINST 5370.2J**

- a. Under 18 USC 208(b)(2) (1982), [Department of the Navy] DON personnel need not be disqualified from participating in matters in which they have the following financial interests:
 - Shares of widely held and diversified mutual, money market, trust, or similar funds offered for sale by a financial institution or by a regulated investment company.

HUMAN RESOURCES MANUAL

- Deposits in and loans from banks or other financial institutions, provided they are at customary and generally available terms and conditions.
 - Federal, State, municipal, or local government bonds, regardless of the value of such interests.
- b. DON personnel who are members or officers of non-governmental associations or organizations must avoid activities on behalf of such groups that are incompatible with their official Government positions. Under certain circumstances, holding a position in a private association or organization or undertaking activities on its behalf could conflict with one's official duties.
- c. Holding, a position in a private, non-profit association or other organization that fosters and promotes the general interests of the naval service and which depends, in part, upon the voluntary efforts of DON personnel acting in their private capacities for leadership, is unlikely to affect the integrity of the services of such personnel. Under 18 USC 208(b)(2) (1982), such individuals are not disqualified from rendering advice or making recommendations within their chains of command on particular matters affecting such organizations if the following criteria is followed:
- They disclose their interest or affiliation to their supervisor prior to rendering advice or making recommendations.
 - Higher authority makes the final decision.
 - The individual's commander does not determine that disqualification is otherwise required by the best interests of DON or of the United States.

19. CODE OF ETHICS FOR GOVERNMENT SERVICE

Display of Code

In accordance with 5 USCA 7301 note, each agency shall display, in appropriate areas of any Federal Government building in which at least 20 civilians are regularly employed by the agency, copies of the Code of Ethics for Federal Government Service (See Appendix 1A).

20. EMPLOYEE INDEBTEDNESS

a. Policy

Employees are responsible for satisfying, in good faith, their obligations as citizens, including all just financial obligations, especially those imposed by law, such as federal, state, or local taxes. A debt is primarily viewed as a personal matter between the debtor and the creditor, unless it is established that the employee's non-payment of the debt has or will have a deleterious effect on the employee's job performance or on the ability of the activity to perform its mission.

b. Debts Subject to Garnishment

A Federal employee's salary may be offset only to enforce alimony or child support obligations, collect debts owed the United States, and collect court-ordered monies. Documents requesting garnishment of employee wages must be reviewed by the activity legal officer for a determination of whether the documents support the requested garnishment. If legally sufficient, the documents will be forwarded to the servicing payroll office via the HRO for action. A copy of the documents will also be forwarded to

the employee's supervisor. The supervisor will advise the employee that wages will be subject to garnishment. The employee through the Civilian Employee Assistance Program (EAP) may obtain financial counseling. See Chapter 16 Employee Assistance Program to find out more about EAP.

c. Debts Not Subject to Garnishment

No action will be taken on oral complaints of indebtedness. If a letter is received from a private business or individual alleging indebtedness, the immediate supervisor should notify the employee about it and the importance of honoring all just debts. Supervisor should also give the employee a copy of the letter that has been received from the creditor and advise the employee to contact the creditor to resolve the problem. The employee through the Civilian EAP may obtain financial counseling. See Chapter 16 Employee Assistance Program to find out more about EAP.

APPENDIX 1A CODE OF ETHICS FOR GOVERNMENT SERVICE

Any person in Government service should:

- I. Put loyalty to the highest moral principles and to country above loyalty to persons, party, or Government department.
- II. Uphold the Constitution, laws, and regulations of the United States and of all governments therein and never be a party to their evasion.
- III. Give a full day's labor for a full day's pay; giving earnest effort and best thought to the performance of duties.
- IV. Seek to find and employ more efficient and economical ways of getting tasks accomplished.
- V. Never discriminate unfairly by the dispensing of special favors or privileges to anyone, whether for remuneration or not; and never accept, for himself or herself or for family members, favors or benefits under circumstances which might be construed by reasonable persons as influencing the performance of governmental duties.
- VI. Make no private promises of any kind binding upon the duties of office, since a Government employee has no private word that can be binding on public duty.
- VII. Engage in no business with the Government, either directly or indirectly, which is inconsistent with the conscientious performance of governmental duties
- VIII. Never use any information gained confidentially in the performance of governmental duties as a means of making private profit.
- IX. Expose corruption wherever discovered.
- X. Uphold these principles, ever conscious that public office is a public trust.

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