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*"Rummaging in the government's attic"*

Description of document: Federal Trade Commission (FTC) Ethics Newsletter "The Ethicist", March 2017-October 2022

Requested date: 13-October-2022

Release date: 07-November-2022

Posted date: 28-November-2022

Source of document: Freedom of Information Act Request  
Office of General Counsel  
Federal Trade Commission  
600 Pennsylvania Avenue, NW  
Washington, DC 20580  
Fax: (202) 326-2477  
[FTC FOIA Portal](#)

For Records older than 1997 contact the Office of the Secretary

Email: [jchristie@ftc.gov](mailto:jchristie@ftc.gov)

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UNITED STATES OF AMERICA  
FEDERAL TRADE COMMISSION  
WASHINGTON, DC 20580

November 7, 2022

Re: FOIA-2023-00057

This letter is in response to your request dated October 13, 2022, under the Freedom of Information Act (“FOIA”), seeking access to a copy of each newsletter called The Ethicist between March 1, 2017 and the present. In accordance with the FOIA and agency policy, we have searched our records on October 24, 2022.

We have located 44 pages of responsive records. Although 22 pages of responsive records are protected by one or more of the FOIA exemptions, releasing these pages would not harm the protected interest. *See Machado v. Dep’t of State*, 917 F.3d 364, 370 (D.C. Cir. 2020). Therefore, we are releasing 44 pages of responsive records and withholding portions of the records based on the reasons explained below.

I am denying access to names and addresses and any other identifying information found in the records. This information is exempt from release under FOIA Exemption 6, 5 U.S.C. § 552(b)(6), because individuals’ right to privacy outweighs the general public’s interest in seeing personal identifying information. *See The Lakin Law Firm v. FTC*, 352 F.3d 1122 (7th Cir. 2003).

If you have any questions about the way we handled your request or about the FOIA regulations or procedures, please contact Chip Taylor at (202) 326-3258.

If you are not satisfied with this response to your request, you may appeal by writing to Freedom of Information Act Appeal, Office of the General Counsel, Federal Trade Commission, 600 Pennsylvania Avenue, NW, Washington, DC 20580, or via email at [FOIAAppeal@ftc.gov](mailto:FOIAAppeal@ftc.gov), within 90 days of the date of this letter. Please enclose a copy of your original request and a copy of this response.

You also may seek dispute resolution services from the FTC FOIA Public Liaison Richard Gold via telephone at 202-326-3355 or via e-mail at [rgold@ftc.gov](mailto:rgold@ftc.gov); or from the Office of Government Information Services via email at [ogis@nara.gov](mailto:ogis@nara.gov), via fax at 202-741-5769, or via mail at National Archives and Records Administration, 8601 Adelphi Road, Office of Government Information Services (OGIS), College Park, MD 20740. Please note that the FOIA Public Liaison’s role relates to comments, questions, or concerns that a FOIA Requester may

FOIA-2023-00057

November 4, 2022

Page 2

have with or about the FOIA Response. The FOIA Public Liaison's role does not relate to taking action in matters of private controversy nor can they resolve individual complaints.

Sincerely,



Goldie V. Walker

Acting Assistant General Counsel

Attachment



## The FTC Ethicist

By the FTC Ethics Team

Volume 8, Issue 1

Winter 2022

### Financial Disclosure

Winter is here! Financial disclosure season is right around the corner. Make sure you're prepared!

#### *All Filers:*

- Each outside position or activity listed on your report should be approved by your supervisor and Ethics via [FTC Form 474](#).
- You must submit your report **on time**.
- You must promptly respond to questions posed by your reviewing official.
- If you need an extension, request one, in writing, from [Regina Duarte](#) before the deadline.
- Confused about the content of your report? Reach out to the FTC [Ethics Team](#).

#### *Confidential Financial Disclosure Filers (450):*

- All GS-14 and GS-15 employees must file their annual OGE Form 450 by **February 15, 2022**.
- If you receive an email from [FTC\\_ethics@intelliworxIT.com](mailto:FTC_ethics@intelliworxIT.com) or [Regina \(rduarte@ftc.gov\)](mailto:Regina(rduarte@ftc.gov)) **don't delete it!** It has critical filing instructions.
- Do not list diversified mutual funds. Focus on stocks, bonds, sector mutual funds, and other securities that pose actual conflicts. Check [here](#) for in-depth guidance on reporting your assets.

#### *Reviewers:*

- You must review a report **within 30 days** of filing. Review reports on a rolling basis as they are submitted.
- **Do not rubber stamp reports.** Take note of [when your staffers may have a conflict](#) based on their holdings.
- Having trouble? Review these tips for [intermediate](#) or [final](#) reviewers.

#### *Public Financial Disclosure Filers (278):*

- Senior staff file new entrant/nominee, annual, and termination reports.
- Reports are available to the public 30 days after submission.
- Senior staff must file their annual OGE Form 278e report by **May 16, 2022**.
- Senior staff must also complete the OGE Form 278-T periodically for sales, purchases, and exchanges of stocks, bonds, and certain other financial assets if the transaction involves \$1,000 or more.
- OGE Form 278-T reports must be filed **within 30 days of you knowing** a reportable transaction took place **or within 45 days regardless of your knowledge**.
- Have a question about navigating Integrity? Here are some [tips](#).
- Questions about the content of your report? Review [guidance](#) on how to disclose a variety of assets.



Office of the General Counsel

**FTC ETHICS TEAM**

Lorielle Pankey (x 3108)  
Craig Bannon (x2067)  
Jeremy Wong (x2862)  
Regina Duarte (x3547)

*When in doubt, give  
Ethics a shout!*



Some people make famously bad decisions. Here is an unethical fed who deserves a spot in the Hall of Shame.

**Employee Fails to File Financial Disclosure Report, Pays Fine Instead**

A former U.S. Census Bureau senior official failed to file his Termination Public Financial Disclosure Report (OGE Form 278e) upon ending his employment. Before his retirement, he received multiple reminders of the need to file. Moreover, after he missed the filing deadline, the former senior official received numerous certified letters informing him of the availability of extensions and the consequences of failing to file. He ignored all of these warnings.

The U.S. Department of Justice (DOJ) filed a complaint alleging that the official knowingly and willingly failed to file a financial disclosure report. The court imposed an \$11,000 fine, holding the former senior official was totally unresponsive and in flagrant violation of the law. In levying the top civil penalty permissible, the court emphasized the former official's choice to repeatedly ignore the notices and warnings provided to him.

Because public service is a public trust, each U.S. Government employee has a responsibility to adhere to the various laws and ethics regulations that guide the performance of his or her official duties. Each employee must avoid, at all times, creating even an appearance of partiality or conflict of interest.

This newsletter has been developed to help FTC employees maintain these high standards of ethical behavior. It is NOT intended as a substitute for seeking one-on-one advice from an agency ethics official whenever you are uncertain about how to act properly in a given situation. Our names and phone numbers are listed here so you can contact us.

In this newsletter, you'll find relevant, timely advice on ethics issues, along with some reminders about upcoming deadlines and perhaps a fun fact or recipe every now and again. We encourage you to let us know what other information you would find helpful.

Thank you for reading the FTC Ethicist!

**Check us out on the intranet!**  
[ftcintranet.ftc.gov/cfportal/ethics/](http://ftcintranet.ftc.gov/cfportal/ethics/)

**Ethics K-9 Korner**

I might be hiding out in here, but I'm always open and upfront about potential conflicts on my financial disclosure report!



**Attention All Pet Lovers!**

**Got a cat? Ferret? Llama? Micropig?**

We are now accepting ALL PETS to feature in the "Ethics K-9 Korner."

This quarter's winner is **Dolly**, submitted by (b)(6) in the Southwest Regional Office.

Is your pet cuter? Prove it! Send entries to:

cbannon@ftc.gov



# The FTC Ethicist

Brought to You  
by  
The FTC  
Ethics Team  
  
VOLUME 8, ISSUE 2  
SPRING 2022



**Senior Staff:**  
Annual public financial disclosure reports (OGE Forms 278e) are due by May 16.

**Welcome Andreea!**  
The Ethics Team is expanding. We welcome ethics attorney, Andreea Micklis. Andreea joins us from private practice where she focused on whistleblower concerns. We are excited to have her on the team. Feel free to direct questions to Andreea at (202) 326-2432 or amicklis@ftc.gov.

**But It Wasn't Me!**  
If you give someone else authority to make changes to your investments (such as a spouse or financial advisor), you are deemed to have knowledge of those changes. Stay on top of activity in your financial accounts to avoid conflicts of interest at work. Careful monitoring also ensures accurate and timely financial disclosure reporting for GS-14s and above staff.

## Tick-Tock, Watch the Clock!

It's easy to lose track of time while debating springing forward and falling back. Time flies due to the constant press of FTC business. Regardless of the season, please listen to reason. Deadlines matter and are tied to statutes and regulations. Focus on ethics obligations to avoid significant penalties.

### Timing is Everything:

**Pay Attention to Ethics Reminders Now to Avoid Paying Later. Someone Was Fined More than \$61,000 for Being Late (Read Page 2 for More).**

**Financial Disclosure Filers** must submit reports no later than the due date. Extensions for good cause must be requested in writing before the deadline passes. Reviewing officials must certify reports within 30 days of submission.

**Outside Employment** Employees must seek and obtain approval from their supervisor and Ethics before doing the **personal activity**.

**Ethics Training** Employees must timely complete **all required training**. Supervisors must take steps to ensure their staff meet their obligations.

**Post-Employment** All employees must have an ethics briefing before they depart. You are strongly encouraged to speak to Ethics before seeking employment to ensure you know the **rules of the road**.

**Senior Staff** Transactions above \$1K for stocks, bonds, and certain other securities owned by you, your spouse, or dependent, must be **publicly disclosed** within 30 days of you knowing of the transaction and no later than 45 days regardless of your knowledge.

Non-federal employment negotiations must be **disclosed to Ethics** within 3 business days.



Office of the General Counsel

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- Lorielle Pankey (x 3108)
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- Jeremy Wong (x2862)
- Andreea Micklis (x2432)
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Thank you for reading the FTC Ethicist!



Some people make famously bad decisions. Here is an unethical fed who landed a spot in the Hall of Shame.

**Fined Over \$61K for Failing to Timely File Financial Disclosure Report**

A former senior official in the White House was recently fined \$61,585 for failing to timely submit her Termination Public Financial Disclosure Report (OGE Form 278). Despite receiving numerous reminders from ethics officials, the former fed blew the deadline by more than one year. The 278 report was filed months after the U.S. Department of Justice (DOJ) brought suit for failure to file.

The judge imposed the maximum penalty allowed under the Ethics in Government Act. The judge agreed with DOJ that the defendant egregiously and flagrantly violated the law by ignoring repeated oral and written guidance from ethics officials. Many of those reminders were given by a then FTC ethics official on detail to the White House. Can you spot her name in the [court opinion](#)?

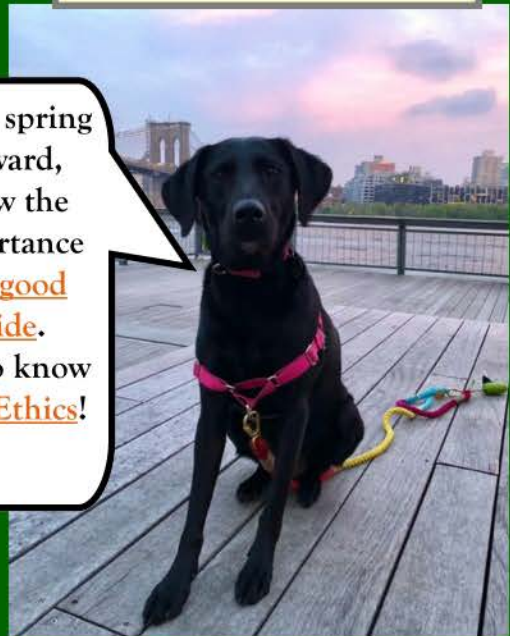
Ethics deadlines are set by statute or regulation. Compliance is mandatory. Ignore guidance from ethics officials at your own peril.

**Check us out on the intranet!**

[ftcintranet.ftc.gov/cfportal/ethics/](http://ftcintranet.ftc.gov/cfportal/ethics/)

**Ethics K-9 Korner**

As we spring forward, know the importance of [a good guide](#). Get to know [FTC Ethics!](#)



**Attention All Pet Lovers!**

**Got a cat? Ferret? Llama? Micropig?**

We are now accepting ALL PETS to feature in the "Ethics K-9 Korner."

This quarter's winner is **Latke**, submitted by (b)(6) in the Southwest Regional Office (SWRO). Is your pet cuter? Prove it!

Send entries to:  
cbannon@ftc.gov

# The FTC Ethicist

By the FTC Ethics Team

Volume 8, Issue 3

Summer 2022



## Outside Activities: Approvals and Conflicts

It's summertime and plenty of folks are looking for outside activities! While some outside activities (e.g., sitting on the beach) require no approval and likely raise no conflicts, others do (e.g., serving on a Board of Directors or trustee of a family trust)! Make sure you know the rules.

### Approvals:

- **Q: When do you need prior approval for your [outside activity](#)?**
- **A:** Whenever the activity is: (1) compensated; (2) on behalf of a for-profit entity; or (3) the provision of "professional services"
- **Q: What are "professional services"?**
- **A:** Either (1) service as a director, officer, or trustee of an organization; or (2) an activity that relates to the same professional field that you hold with the FTC (e.g., if you are an FTC attorney, pro bono work is considered professional services; if you are an FTC economist, teaching/speaking/writing on economics concerns is also "professional services")
- **Q: How do I receive approval for my outside activity?**
- **A:** Fill out [FTC Form 474](#) and get a supervisory signature. Then send the form to ethics for review.
- **Q: Why is this approval necessary?**
- **A:** Supervisors primarily ensure your personal activity does not conflict with your official duties. The Ethics Team ensures you understand all restrictions that apply to your proposed activity.

### Conflicts:

- **Q: How does a personal activity [conflict](#) with work?**
- **A:** Most outside activities will lead to a "covered relationship" with the individual or entity you are serving. You generally should not work on FTC specific party matters involving those same persons.
- **Q: How does a personal activity lead to a [financial conflict](#)?**
- **A:** If you are an officer/director/trustee/employee, the financial interests of the person you serve are considered your interests. You must not work on any FTC particular matter that affects "your" financial interests.
- **Q: Are there other situations where an outside activity might land me in trouble?**
- **A:** Don't use official time or other FTC resources for your side job. You generally must not communicate to the United States on behalf of others. You generally must not receive compensation for teaching/speaking/writing that "relates" to your FTC duties. Never use or disclose nonpublic information without authorization. There are numerous potential concerns. **Questions? [Contact ethics.](#)**





Office of the General Counsel

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Some people make famously bad decisions. Here is an unethical fed who deserves a spot in the Hall of Shame.

**Federal Employee's Outside Employment Leads to Termination from Both Jobs**

A former federal employee found himself out of two jobs after investigators learned that he had been moonlighting for a contractor that he was overseeing as a federal employee.

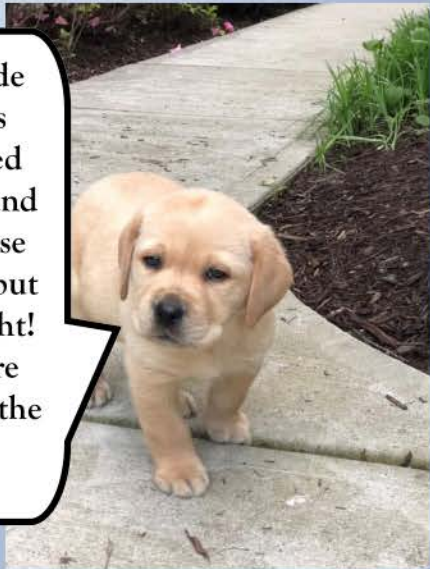
In his federal position, his duties included reviewing contractor bids and overseeing contract performance. Simultaneously, the federal employee accepted a job with one of the federal government's contractors as a part-time supervisor, working on his days off and vacation days.

Even though his actions did not result in any identified financial loss, he was terminated from his federal government position, prosecuted under 18 U.S.C. 208, and sentenced to probation and a \$1,000 fine. As a bonus, he was also terminated from his position with the contractor.

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**Ethics K-9 Korner**

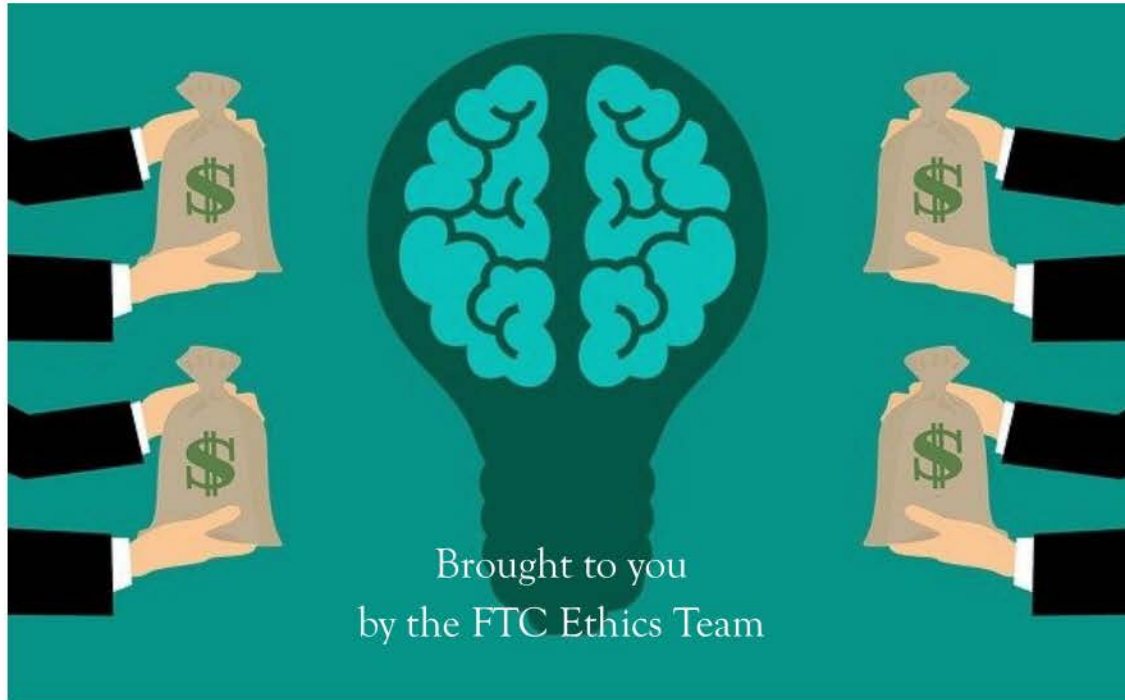
My outside activities don't need approval and don't cause conflicts, but yours might! Make sure you know the rules!



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This quarter's winner is **Jack**, submitted by (b)(6) in the Technology Enforcement Division, BC. Is your pet cuter? Prove it!  
Send entries to:  
cbannon@ftc.gov

# The FTC Ethicist

Volume 7, Issue 1, Winter 2021



Question: Are FTC Employees Allowed to Participate in Crowdfunding?  
Yes, But You Must Consider Federal Ethics Gift Restrictions.

## Crowdfunding:

Obtaining funding by soliciting contributions from a large number of people, often through social media using platforms like GiveSmart, GoFundMe, IndieGoGo, or Kickstarter.

## Crowdfunding & Gift Restrictions:

- **Don't solicit/accept gifts from prohibited sources or given because of your FTC job, unless an exception applies.** If the gift comes from a registered lobbyist or lobbying organization, some exceptions are not available to political appointees.
- **Don't reference your FTC position.** This creates the inference that you are misusing your position to induce benefits.
- **Don't use crowdfunding to solicit in-office contributions for a federal employee.**
- **You may solicit/accept gifts from close friends/family**, but you must consider:  
1) whether they are motivated to donate due to your official position; and 2) the nature of your personal relationship.
- **You may accept donations from large-scale campaigns**, if assistance is offered to a broad class of government employees that does not discriminate based on official responsibility.

Q: Who is a prohibited source?

A: For the FTC, almost every non-Federal entity/person! For more details, read [this memo](#).



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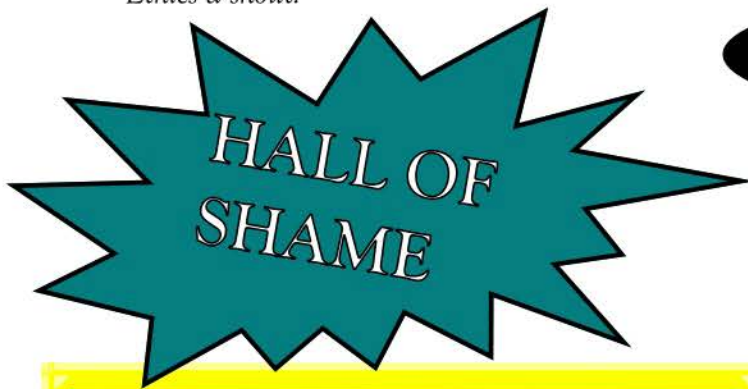
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Whether unethical or simply unwise, appearances matter. Know the rules and keep in mind the spirit behind them when making decisions. Here's an example of poor judgement (at best) in the ethics Hall of Shame.

**Bureau Director Leaves the Government After Accepting Free Dinner**

A Bureau Director in charge of awarding a major contract accepted a dinner from one of the competitors for the contract at a swanky Washington restaurant.

Unbeknownst to the Director, a *Washington Post* reporter was one table away, and the dinner received front-page coverage in the next day's *Post*.

By that afternoon, the Director announced he would no longer be employed with the federal government. Instead, he accepted a job in the private industry given to him by his father-in-law.

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**Ethics K-9 Korner**



I love granting wishes, but FTCers must always consider whether they may accept. Keep in mind the [gifts rules for crowdfunding](#) and [virtual events!](#)

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VOLUME 7, ISSUE 2

SPRING 2021



**Senior Staff:**

Annual public financial disclosure reports (OGE Forms 278e) are due by May 17.

Brought to you by The FTC Ethics Team

# The FTC Ethicist

## Financial Interests in FTC Matters

Our mission is broad, there is no narrow description. A defined class of persons we regulate, vendors, targets, witnesses, complainants, competitors, customers, persons eligible for redress, and those subject to legal process (whether the FTC is collecting information or compelling other action like an asset freeze) are examples of persons with financial interests in FTC matters and proceedings.

### Certain Interests

#### Are “Your” Interests:

- Your Spouse, Minor Child
- Your General (Business) Partner
- Those You Serve as Officer, Director, Trustee, or Employee
- Future Non-Federal Employers

## Conflicts Analysis

“By resolving potential conflicts before they happen, ethics officials help ensure that their agencies’ decisions are made in the public’s interest and are not unfairly influenced by personal financial interests.”

- U.S. Office of Government Ethics

### Financial Conflicts Arise in a Variety of Contexts:

#### Screen BEFORE Working on any FTC Particular Matter

#### Consumer Redress

Are you, your spouse, or your minor child part of the redress class? If yes, do not participate unless you first obtain a waiver of a criminal statute. There is no *de minimis* exception.

#### “Your” Bonds

Would the issuer’s willingness or ability to honor the terms of the fixed agreement be directly affected by the FTC matter?

#### “Your” Stocks

Does the issuing company have a financial interest as a party, nonparty, or other directly affected person? If yes, do not participate without first obtaining guidance from an FTC ethics official. The magnitude of the company’s financial interest is irrelevant. If not on the NYSE or the NASDAQ, there likely is no *de minimis* exception.

#### “Your” Sector Funds

If above \$50k, the underlying holdings pose conflicts. You must add the value of funds that focus on the same industry, business, or single foreign country.

#### Key Take Away

A criminal statute prohibits you from working on any FTC particular matter that affects “your” financial interests. The analysis is tricky. **Contact [FTC Ethics](#) for help.**



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**Retired Fed Pled Guilty to Creating a Contract for His Personal Benefit**

For over 20 years, a federal employee developed and implemented energy savings measures. As part of his official duties, he worked closely with Company A on nearly 100 energy conservation projects, worth over \$250 million. While still a federal employee, he developed a contractor position that mirrored his official duties. After securing an agreement with Company A to serve in the role upon his retirement, the enterprising fed drafted the documents to create the position, appropriated over \$582,000 for the future role, and helped Company A prepare its bid proposal. He even obtained an ethics opinion that he could work for Company A (by leaving out key information).

He was charged with violating multiple laws, including 18 U.S.C. § 208, as well as other misconduct. After pleading guilty to violating Section 208, he was sentenced to three years of probation, \$137,500 in restitution, and a \$100 special assessment.

**Ethics K-9 Korner**

I'm so ready to tackle my day! Before I get started, I always review my [conflicts](#) [roadmap!](#)



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## Ethics Resources

Don't get caught under water with ethics issues this summer. The FTC's [ethics webpage](#) and other resources are just a click away to help you stay afloat, whether you are grappling with a conflicts question, completing a financial disclosure report, deciding whether to accept a gift, or dealing with various other issues.

### Financial Disclosure Q&As:

Q: Is crypto-currency a reportable asset?

A: Yes.

Q: I have an interest in a family trust. Are the trust's assets reportable?

A: Maybe.

Q: My parent created a 529 plan for my dependent child. Are the plan assets reportable?

A: Yes.

Q: I file the OGE Form 278. My financial advisor trades stock on my behalf. Are these transactions reportable even though I don't make or approve the trades?

A: Yes, for individual trades over \$1,000.

Q: Where can I learn how to report these and other specific assets?

A: [OGE Form 278 Guide](#), or [OGE Form 450 Guide](#).

### Conflicts:

Are you wondering whether your stocks, bonds, and other investments pose conflicts? Can your relationship with an individual or organizations disqualify you from working on a matter? Are there additional conflict concerns under the Biden Ethics Pledge? Check out our [Basic Rules of Thumb for Conflicts Screening](#) to find out.



### Did You Know?

[Gift rules](#) may prohibit you from accepting donations via crowdfunding on GoFundMe, Kickstarter, and other platforms.

The [Hatch Act](#) limits some political activities on your personal social media account while on your own time and your own mobile device.

You need FTC approval for some of your [personal activities](#) outside the FTC, including unpaid writing on a topic within your professional field or related to the FTC's missions.

The FTC has a [Limited Personal Use Policy](#) regarding FTC property, but it generally does not apply when providing services to others.

The FTC has [Social Media FAQs](#).



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Thank you for reading the FTC Ethicist!



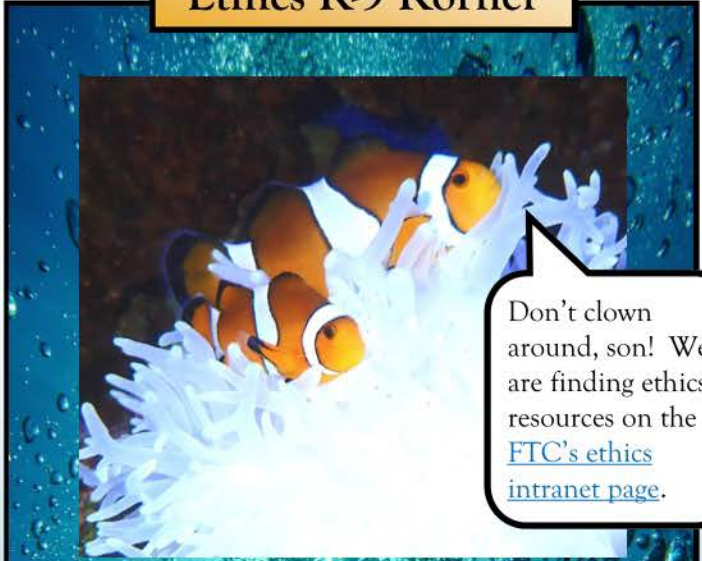
Consulting work outside his Government job helped get this fed into deep water and a spot in the Hall of Shame.

**Air Force Employee Sentenced to 12 Months of Home Confinement and 100 hours of Community Services and Ordered to Pay \$25,000 in Restitution**

Chad Corliss worked as a technician for an Air Reserve Squadron (Squadron). On the side, Chad also worked as a consultant for Company A and was paid to promote Company A and its products. He recommended to a major defense contractor that Company A should be their subcontractor for developing simulators for use by the Squadron. In his Government position, Chad authored the Government's requirements for the simulators, acted as the lead official in development of the simulators, and inspected the simulators installed by Company A.

Chad plead guilty to two counts of violating the criminal, financial conflict statute, 18 U.S.C. § 208. Let the [FTC's ethics resources](#) be your life-preserver when swimming in deep water to avoid ending up like our latest Hall of Shame inductee, Chad.

**Ethics K-9 Korner**



Don't clown around, son! We are finding ethics resources on the [FTC's ethics intranet page](#).

Attention All Pet Lovers!  
Got a cat? Ferret? Llama? Micropig?  
We are now accepting ALL PETS to feature in the "Ethics K-9 Korner."  
This quarter's winners are Nui and Iti.  
Submitted by (b)(6) in the Consumer Protection Division, BE.  
Is your pet cuter? Prove it! Send entries to: [cbannon@ftc.gov](mailto:cbannon@ftc.gov)



## The FTC Ethicist

Brought to you by the FTC Ethics Team

Volume 7, Issue 4

Fall 2021

### Seeking Employment

Seasons change, leaves change, and, sometimes jobs do too. If you're thinking about a job switch, make sure you know how your search will impact your ethics obligations.

#### What does it mean to be “seeking employment?”

You are considered “[seeking employment](#)” when (directly or indirectly):

- You are engaged in negotiations for employment;
- You have made an unsolicited communication to a person regarding employment; OR
- You have made a response, besides rejection, to an unsolicited communication from a person regarding employment

#### When are you no longer “seeking employment?”

- When you or the prospective employer rejects the possibility of employment; OR
- 2 months have passed after you have submitted a resume with no response

#### What does “seeking employment” mean for your conflicts screening?

- When you are in a “seeking employment” relationship, you **must recuse yourself** from any matter where your prospective employer is either involved or has a financial interest
- Once you are negotiating for employment, a [criminal financial conflict](#) of interest statute applies.

#### Do I need to tell my supervisor that I am “seeking employment”?

- No, you are not required to tell your supervisor (but senior staff may need to [inform the Ethics Team](#)).
- If you are staffed on a matter involving a prospective employer or affecting its financial interests, you must recuse from the matter (you should let others know you are no longer participating but you are not required to share the why).

#### What should you be aware of after you leave the FTC?

There are [many ethics rules](#), including:

- A permanent ban from “switching sides” in the specific party matters you handled personally and substantially;
- A 1-year ban for senior staff communicating to the FTC for others;
- A 2-year ban for supervisors making communications to the U.S.A. for others about specific party matters pending under them in their last year;
- A requirement to receive clearance before working on matters pending at the FTC while you were here;
- A compensation ban for representational work others did while you were here if the work involved the U.S.A.;
- You must never disclose nonpublic information without authorization;
- Senior staff and political appointees have additional restrictions.





Office of the General Counsel

**FTC ETHICS TEAM**

Lorielle Pankey (x 3108)  
Craig Bannon (x2067)  
Jeremy Wong (x2862)  
Regina Duarte (x3547)

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Thank you for reading the FTC Ethicist!

**Check us out on the intranet!**

[ftcintranet.ftc.gov/cfportal/ethics/](http://ftcintranet.ftc.gov/cfportal/ethics/)

# HALL OF SHAME

Some people make famously bad decisions. Here is an unethical fed who deserves a spot in the Hall of Shame.

## Employee Negotiates for Employment and for Modifications to a Government Contract at the Same Time

A division chief of a certain federal agency engaged in employment negotiations with a contractor of the chief's agency. While in the midst of those employment negotiations, the division chief simultaneously participated personally and substantially in a modification of the same contractor's contract with her agency, adding additional funding and positions to the contract.

Then, after leaving, the division chief communicated back to her former agency with the intent to influence them to approve her to fill the contractor positions added by those modifications.

The division chief ultimately paid a \$33,000 settlement to the federal government.

I'm not looking for a change of scenery, but if you are, make sure you know the seeking employment rules!



## Ethics K-9 Korner

Attention All Pet Lovers!

Got a cat? Ferret? Llama? Micropig?

We are now accepting ALL PETS to feature in the "Ethics K-9 Korner."

This quarter's winner is Rumi, submitted by

(b)(6)

in the Western Regional Office (San Francisco). Is your pet cuter?

Prove it! Send entries to:

cbannon@ftc.gov



This new year officially marks the beginning of another presidential election year, albeit the campaigning has already begun (and seems to start earlier each election). Remember, the Hatch Act limits “political activity” of federal employees. “Political activity” is any activity directed toward the success or failure of a political party, candidate for partisan political office, or partisan political group. See the lists below for examples of what you can and cannot do regarding politics, and when it doubt, give Ethics a shout.

### Prohibited:

- **May not** be candidates in partisan elections.
- **May not** use FTC authority to interfere with an election or while engaged in political activity.
- **May not** invite subordinates to political events or suggest they engage in political activity.
- **May not** knowingly solicit or discourage the political activity of any person with business before the FTC.
- **May not** solicit, accept, or receive political contributions, or host or invite others to fundraisers.
- **May not** engage in political activity while on duty, in the workplace, wearing a uniform or official insignia, or in a government vehicle.

### Permitted:

- **May** be candidates in non-partisan elections.
- **May** register and vote as they choose.
- **May** assist in non-partisan voter registration drives.
- **May** contribute money to partisan groups and candidates.
- **May** attend political rallies, meetings, and fundraisers.
- **May** join partisan groups.
- **May** sign nominating petitions.
- **May** participate in campaigns if no candidate represents a political party.
- **May** campaign for or against referendum questions, constitutional amendments, or municipal ordinances.
- **May** express opinions on issues.
- **May** express opinions on partisan groups and candidates while not at work or using official authority.

### Additional Restrictions:

#### (Career SESers and ALJ only)

- **May not** be active in partisan political management. For example:
  - ◇ **May not** hold office in partisan groups.
  - ◇ **May not** organize or manage political rallies or meetings.
  - ◇ **May not** assist in partisan voter registration drives.
- **May not** be active in partisan political campaigns. For example:
  - ◇ **May not** make campaign speeches.
  - ◇ **May not** distribute campaign materials, including via email or social media.
  - ◇ **May not** circulate nominating petitions.





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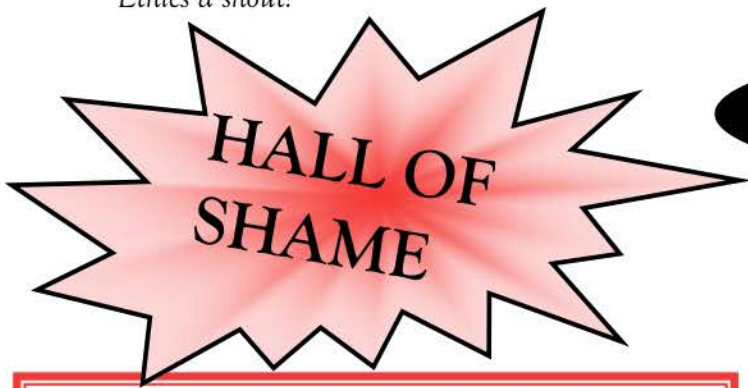
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Promoting a Presidential candidate got this fed a spot in the Hall of Shame.

**DOJ Immigration Judge Fined \$1K and Barred from Federal Service for 30 Months**

In Sept. 2019, the U.S. Office of Special Counsel, which enforces the Hatch Act, announced a ruling imposing significant disciplinary action against a former immigration judge, Carmene DePaolo, of the U.S. Dept. of Justice, who violated the Hatch Act from the bench. DePaolo promoted then-President candidate Hillary Clinton's immigration reform plan during a deportation hearing over which DePaolo presided in 2016. During the public deportation hearing, DePaolo called the deportation penalty and 10-year ban on reentry into the U.S. "a pretty harsh thing" that Clinton intended to change if "the Senate becomes a Democratic body and there's some hope that they can actually pass immigration legislation." She also said Republicans "aren't going to do anything" about immigration "if they can help it," other than to "try to deport everybody." She was found guilty of engaging in political activity on duty and using her official position to affect an election.

**Ethics K-9 Korner**



Politics is a hairy business. So is being a federal employee and complying with the Hatch Act. Be sure to contact an ethics official for help.

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This quarter's winner is **Elly Buttercup**.  
Submitted by (b)(6) in the Consumer & Business Education Office, BCP.  
Is your pet cuter? Prove it! Send entries to:  
[cbannon@ftc.gov](mailto:cbannon@ftc.gov)



The FTC Ethicist—Volume 6, Issue 2  
Spring 2020  
Brought to you by: The FTC Ethics Team

Spring has arrived! You might feel more inclined to get out there and enjoy life outside of the FTC (in complete isolation of course #socialdistancing). But remember: certain “outside” activities require prior approval from your supervisor and Ethics.

- **Who:** FTC employees must get prior approval from their supervisor and the Designated Agency Ethics Official for certain outside activities. [5 C.F.R. § 5701.101](#).
- **What:** Approval is required when the activity involves: (1) compensation; (2) service to a for-profit entity; or (3) professional services (any service as an officer/director/trustee or any service in the same field of work you perform for the FTC). [FTC Administrative Manual, Chapter 5, Section 300, Part 3](#).
- **When:** Approval must be obtained **prior** to beginning the activity.
- **Where:** On [FTC Form 474](#), a one-page document where you describe the activity, make certain certifications, and receive a signature from your supervisor and then Ethics.
- **Why:** Federal employees are **prohibited** from using their public office for private gain or for the endorsement of any product, service, or enterprise. [5 C.F.R. § 2635.702](#). You must not use any **official duty time** or **Government property** (such as, your FTC phone or computer) for a private enterprise. While the FTC authorizes **limited** personal use of FTC property, that policy does **not** extend to outside employment or certain other personal activities. [FTC Administrative Manual, Chapter 5, Section 300, Part 4](#).



Office of the General Counsel

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Thank you for reading the FTC Ethicist!

*When in doubt, give  
Ethics a shout!*



Some people make unethical decisions to use their government positions to benefit their side hussle. Here's an example in the ethics Hall of Shame.

**Made on Government time? That's now Government property!**

A federal employee lost all rights to his "personal" invention and was disciplined for running a side business through his office. He developed a computer program during official duty hours and while using federal equipment.

The employee marketed his computer program and consulting services online. He also used his federal postal mailing address as the address for his personal business. In short, he operated a private enterprise inside the federal workplace on the dime of taxpayers.

The employee received a letter of reprimand and was forced to stop selling the software. Since the computer program was developed on official time while also using other federal resources, the software was deemed Government property.



**Ethics K-9 Korner**

Now that my outside activity request has been approved, I'm ready for adventure!



**Attention All Pet Lovers!**  
**Got a cat? Ferret? Llama? Micropig?**  
 We are now accepting ALL PETS to feature in the "Ethics K-9 Korner."  
 This quarter's winner is Chewie, submitted by (b)(6) in the Health Care Division.  
 Is your pet cuter? Prove it! Send entries to:  
 cbannon@ftc.gov



## At a Crossroads? Follow the Path of Integrity and Never Stop Learning.

Together we face challenges. Together we achieve mission success. Regardless of your position or title, you have an important role in protecting consumers and promoting competition. In order to maintain the public's trust in FTC programs, operations, and decisions, we must serve the public and each other with integrity.

**Together we make the FTC a great place to work.**

### Telework Reminders:

- Use official time in an honest effort to perform your job.
- Communicate with your supervisor to ensure appropriate use of leave and other workplace flexibilities.
- Prior approval is required for non-federal employment and [certain other outside activities](#).
- Only use Government resources, including time and equipment, for [authorized purposes](#).
- Never use FTC time or equipment to run a private business or to engage in illegal, inappropriate, or offensive activities.
- Do not engage in [partisan political activity](#) while on official duty (not even from a personal device).
- Be mindful of your surroundings on video calls (e.g., no partisan messages in the background).

### Ethics Training:

- Many GS staff are required to attend live annual ethics training.
- If you receive a message from Regina Duarte (rduarte@ftc.gov) about live ethics training, **promptly register**.
- To receive credit, you must attend the full hour of live (WebEx) training.
- To conserve bandwidth and ensure everyone hears the presenters, keep your microphone on mute and video camera off.
- **Want to secure a win?** (Yes, we will still play a "live" competitive game.)
- Review [our conflicts roadmap](#) to navigate financial and other conflicts concerns.
- Review [our tip sheet about gifts](#) from persons outside of the Government.
- Review [our summary of post-federal employment restrictions](#).
- When in doubt, give Ethics a shout!

### Key Principles:

- We must uphold equal opportunity laws and regulations.
- We must avoid actions that create the appearance of violating the law or ethical standards.
- We must not use public office for private gain.
- We must act impartially and not give preferential treatment.
- We must not hold financial interests that conflict with the conscientious performance of our official duties.
- We must disclose waste, fraud, abuse and corruption.
- We must satisfy in good faith our obligations as citizens.
- [Click here](#) for more.





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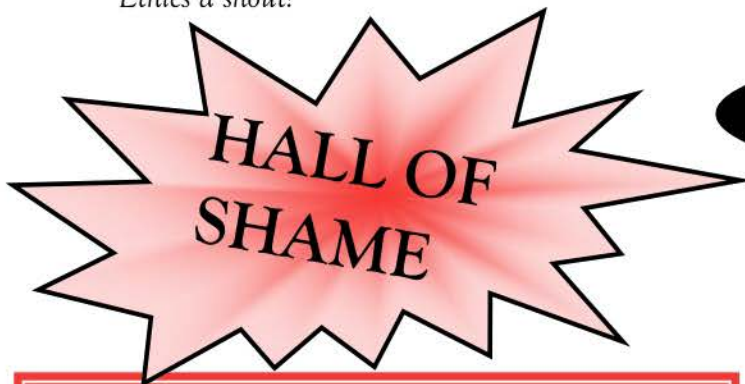
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There is no *de minimis* threshold for using public office to run a private business.

**Don't Lose Your Day Job!**

A Treasury Department computer specialist used his government computer and phone to run a private business during work hours for several years. He stole over \$63,000 in salary by running his business on official time. After receiving a cease and desist order, he stopped most of his unauthorized activities. Unfortunately, he continued to use his work computer to transfer files for his private business. He argued this was allowed by the Department because employees were permitted *de minimis* (very limited) personal use of government property. The Department disagreed.

Although federal employees may use government property for personal purposes at a *de minimis* level, they must never use any government property to pursue private commercial business activities or profit-making ventures. As he had been warned once and continued to misuse his official position, this employee was left with only his night job (which he could now legitimately do during the day).

**Ethics K-9 Korner**



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Submitted by (b)(6) in our San Francisco Regional Office.  
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# The FTC Ethicist



Brought to you by  
The FTC Ethics  
Team

VOLUME 6, ISSUE 4  
FALL 2020

As Election Day nears, here are some FAQs and other info to help you with the Hatch Act. The Act defines “political activity” as activity directed toward the success or failure of a political party, candidate for partisan political office, or partisan political group. Remember, the Act’s prohibitions continue after Election Day.

## ***Can I display partisan slogans or candidate pictures in my home?***

- ◆ All employees: Yes, but they must **not** be visible during video calls while teleworking.

## ***Can I wear a face mask with a partisan slogan on it while in an FTC office?***

- ◆ All employees: No.

## ***Can I express support or opposition for a partisan candidate, including sharing articles or other info?***

- ◆ All employees: Yes, subject to limits.\*

## ***Can I be an election judge; poll worker, watcher, challenger, or observer; or other election official?***

- ◆ Career SES & ALJ: Depends on the position and jurisdiction. You must **not** hold such a position if acting in concert with a political party, partisan political candidate, or partisan group.
- ◆ Everyone else: Yes, subject to limits.\*

### **\* Political Activity Limits:**

- ◇ Never use your FTC title or position.
- ◇ Never use FTC property.
- ◇ Never solicit or discourage political activity of any person with business before the FTC.
- ◇ Never solicit, accept, or receive political donations.
- ◇ Never do it when on duty, including telework, or on federal property.
- ◇ **Career SES & ALJ**: Never act in concert with a political party, partisan political candidate, or partisan group.

## ***Can I attend political fundraisers and donate my own money?***

- ◆ All employees: Yes, subject to limits.\*

## ***Can I post partisan messages on my social media account during work?***

- ◆ All employees: No.

## ***Can I express frustration with an election result after the election while I am teleworking or in an FTC office?***

- ◆ All employees: No. After Election Day, the winner is still a candidate until assuming office, and note that the rules always apply with respect to political parties and partisan groups.

## ***Can I use my personal leave (e.g., annual leave, credit hours, etc.) to engage in political activity?***

- ◆ All employees: Yes, subject to limits.\* However, management cannot grant you administrative leave (excused absence) for your political activities.





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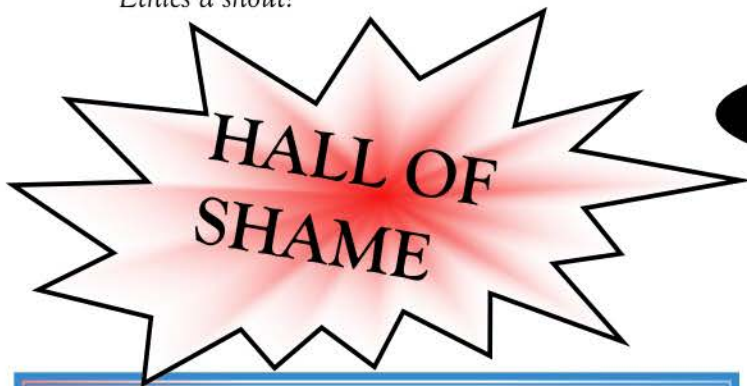
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Political Fundraising got this fed a spot in the Hall of Shame.

**FDA Employee Suspended 120 Days for Political Fundraising**

According to a July 21, 2020 press release from the U.S. Office of Special Counsel (OSC), which enforces the Hatch Act, the FDA employee first contacted OSC to ask about serving in a leadership position within a political party, which was permissible under the Hatch Act. However, the employee then authorized the creation of a social media page featuring his name and image that was used several times to solicit political contributions, including at least one that the employee admitted he posted personally. The employee also co-hosted a fundraiser for a candidate for partisan political office and allowed his name to be used in connection with two other political fundraising events.

The employee had knowledge of the Hatch Act and admitted that he should have known about the fundraising restrictions when he engaged in the prohibited activity. In a settlement agreement, the employee agreed to a 120-day suspension without pay.



**Check us out on the intranet!**  
[ftcintranet.ftc.gov/cfportal/ethics/](https://ftcintranet.ftc.gov/cfportal/ethics/)

**Ethics K-9 Korner**

Make sure you know what you are stepping into before engaging in political activity. Contact an ethics official for help!



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# The FTC Ethicist

Brought to you by  
The FTC Ethics Team



VOLUME 5, ISSUE 1

WINTER 2019

Happy New Year (or not?!). Are you financially puzzled because of the longest government shutdown in history and the new tax laws? Well, at least reporting your financial interests should start getting a little easier this year with e-filing. All GS-14 and GS-15 employees are now required to e-file the OGE Form 450 in *FDonline*.

OGE Form 450 Filers & Reviewing Officials Must Use:

*FDonline* by Intelliworx

## Important Things to Know about e-filing the OGE Form 450 report in *FDonline*:

1. The Ethics Team is here to help!
2. E-filing is mandatory.
3. Filing notices will be e-mailed to you by:  
**FTC\_Ethics@IntelliworxIT.com** (not .gov)
4. Use Google Chrome as your browser.
5. The system meets the FTC's rigid privacy and security standards.
6. PIV login is not available this year (hopefully next year), so you must use two-factor authentication and login with a password for now.

## Notable Benefits of E-filing:

1. Saves you time! After completing your first report in *FDonline*, later reports auto-populate the entries from the preceding report.
2. Improves accuracy and timeliness.
3. Eliminates paper, streamlines review process.

## Annual Report Filing Deadlines:

- **GS-14 & GS-15 Employees** must e-file the annual OGE Form 450 by April 5th.
- **Senior Staff** must e-file the annual OGE Form 278e by May 15th.

## Attention Senior Officials:

You will continue to e-file your OGE Form 278e in *Integrity*.

## Attention All Employees:

Remember to monitor for financial conflicts even if you do not file OGE Forms 450 or 278e.



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Regina Duarte (x3547)

Our best wishes to Chris White, who retired at the end of 2018!

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Falsifying a financial disclosure report (OGE Form 450) got this fed a spot in the Hall of Shame.

**HHS Employee Gets Probation and Special Assessment for Not Disclosing a Gift**

The Chief Executive Officer (CEO) of Public Health Services / Indian Health Services (IHS) for the Dept. of Health and Human Services received a \$5,000 check from a pediatrician and acting clinical director at an IHS facility in Pine Ridge, South Dakota. Notably, the pediatrician's career was filled with allegations of sexual abuse of minors, and the CEO was allegedly aware of those allegations.

The CEO failed to disclose the \$5,000 gift from the doctor on her OGE Form 450, which requires (among other things) disclosure of gifts greater than (at the applicable time) \$350. Instead, her report indicated that she did not receive any reportable gifts. On Feb. 8, 2018, the CEO pleaded guilty to one count of violating 18 U.S.C. § 1001 (statements or entries generally). The CEO was sentenced to 12 months probation and a \$100 special assessment.



**Ethics K-9 Korner**

**Annual Financial Disclosure Reports:** Giddy-up and e-file your OGE Form 450 in *FDonline* by **April 5th** or your OGE Form 278e in *Integrity* by **May 15th**.



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Brought to you by The FTC Ethics Team

# The FTC Ethicist

## Welcome Jeremy!

Jeremy Wong has joined the Ethics Team as an Attorney and can be reached at [jwong2@ftc.gov](mailto:jwong2@ftc.gov) or (202) 326-2862.

## Don't Get Stuck on the Weeds

What do you notice in the above photo? To understand the full context, you must consider the big picture (the flowers, dogs, hills, and all the rest). The same is true for federal ethics. Take a broad approach to conflicts screening. Study [our conflicts roadmap](#). Questions? Contact us before working on a matter.

### Outside Activities

You must get prior approval from your supervisor and the Ethics Team using [FTC Form 474](#) for any personal service:

- as officer, director, or trustee (even if unpaid)
- in the same field/profession you serve the FTC (even if unpaid)
- to benefit a for profit entity (even if unpaid)
- involving compensation

Don't work on FTC matters involving these same persons.

### Third Parties Pose Conflicts Too!

Spring has sprung, the dog days of summer are just ahead. Many will use a guide or GPS to safely get around on vacation. Using a roadmap to navigate federal ethics concerns in the office is just as important.

Review the conflicts roadmap on our Ethics Intranet: "[Basic Rules of Thumb for Conflicts Screening](#)." The nuances matter.

When doing conflicts screening, don't just focus on what is right in front of you. Take into account the matter as a whole (beyond your specific role). Further, think broadly about who is involved or otherwise directly affected by the matter.

If working on litigation, an investigation, or a contract, you must consider named parties and third parties (such

as witnesses, complainants, key competitors, and CID recipients).

When working on an industry-wide matter (such as a regulation), you must consider all persons within the discrete, affected class.

Also consider your prior, current, and future affiliations. Personal and business ties may pose conflicts.



Office of the General Counsel

**FTC ETHICS TEAM**

- Lorielle Pankey (x3108)
- Craig Bannon (x2067)
- Jeremy Wong (x2862)
- Regina Duarte (x3547)

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Thank you for reading the FTC Ethicist!

*When in doubt, give  
Ethics a shout!*



Some people make unethical decisions. Here are two feds who earned spots in the ethics Hall of Shame.

**Pay Attention to Those Stocks!**

A former Postmaster General of the United States paid a \$27,550 settlement due to a conflict of interest involving the official's holdings in a soft drink company. The Postal Service was exploring a strategic alliance with the soft drink company. The Postmaster General's role was to advise the Board of Governors with regard to their consideration of strategic alliances. The official advised the Board while owning stock in the soft drink company and therefore had a financial interest in the decision.

A person serving as both Chief Financial Officer and Chief Information Officer of the U.S. Department of Education violated 18 U.S.C. 208. His wife owned 600 shares of Compaq computer stock that she had inherited from her mother. The senior leader worked in his official capacity on issues affecting Compaq computers. Pursuant to a settlement, the official paid the Government \$20,000.

**Ethics K-9 Korner**



"I'm soaking it all in and so should you! Think outside the box when doing conflicts screening."  
#Hmmm...  
#ConflictsRoad  
[Map](#)

**Attention All Pet Lovers!**  
Got a cat? Ferret? Llama? Micropig?  
We are now accepting ALL PETS to feature in the "Ethics K-9 Korner."  
This quarter's winner is Zeu, submitted by (b)(6) in Mergers III, BC.  
Is your pet cuter? Prove it! Send entries to: cbannon@ftc.gov

Volume 5, Issue 3  
Summer 2019

# The FTC Ethicist

Brought to you by  
The FTC Ethics  
Team



## Overgrown Stocks, Sector Mutual Funds, and Other Assets

So that stock or sector mutual fund you bought 10, 20, or 30 years ago has grown...a lot. Due to your investment acumen, your sapling investment has grown into a massive money tree! Congratulations! Watch out for what that means for your ethics screening! Check out our [conflicts roadmap](#).

### *De Minimis* Thresholds for Stocks and Sector Mutual Funds

Stocks in specific party matters (*e.g.*, investigations, litigation, contracts):

- no more than \$15,000 in all parties (aggregate relevant holdings).
- no more than \$25,000 in affected nonparties (aggregate relevant holdings).

Stocks in matters of general applicability (*e.g.*, an industry-wide rulemaking):

- no more than \$25,000 in a single affected entity.
- no more than \$50,000 in all affected entities.

Sector mutual funds:

- no more than \$50,000 (aggregate all funds in the same sector).

A sector fund has an express policy of focusing on an industry, business, single foreign country, or the bonds of a single state within the United States.

**Nuance #1:** *De minimis* thresholds only apply to “publicly traded securities!” If privately held, only traded “over the counter,” or only available on a foreign exchange, any amount poses a conflict!

**Nuance #2:** If you have more than \$50,000 in mutual fund(s) focused on the same sector, the underlying holdings of the fund(s) pose conflicts regardless of value.

These rules are nuanced and case-specific! Contact the ethics team for guidance before working on a matter.





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*When in doubt, give  
Ethics a shout!*



Some people make unethical decisions to use their government positions to help out with personal issues. Here's an example in the ethics Hall of Shame.

**Beware of Communicating to the United States on Behalf of Others!**

A former Deputy Secretary of Commerce received a letter from his father-in-law, complaining of delays experienced in modifying a business contract with the Department of Veteran Affairs ("VA"). The Deputy Secretary referred the letter to his VA counterpart and also contacted the VA by phone.

A complaint for civil penalties was filed under 18 U.S.C. § 216(b) for violation of 18 U.S.C. § 205. The Deputy Secretary agreed to a civil settlement, including paying the maximum fine under sentencing guidelines if he was criminally prosecuted.

Federal employees generally must not communicate to (by letter, phone, email, in person, *etc.*), or appear before, any federal employee (of the FTC or another federal entity) with the intent to influence the federal government on behalf of someone else.

**Ethics K-9 Korner**



I'm happy your investments have grown into a big dog like me! But beware of what that could mean for your ethics screening!

**Attention All Pet Lovers!**  
Got a cat? Ferret? Llama? Micropig?  
We are now accepting ALL PETS to feature in the "Ethics K-9 Korner."  
This quarter's winner is Sebby, submitted by (b)(6) in Healthcare, BC.  
Is your pet cuter? Prove it! Send entries to: cbannon@ftc.gov



Brought to you by The FTC Ethics Team

## Traveling on Official FTC Business?

Bag? Check. Passport? Check. Did you obtain ethics approval for non-federal source (NFS) travel reimbursement? There are things you must do before and after your official trip whenever NFS travel reimbursement is involved.

### Before You Go (at least 10 days):

1. Check the FTC NFS Acceptable Source List. Don't see your source? Email Regina Duarte (rduarte@ftc.gov).
2. Provide a NFS Request Memo and written offer to your supervisor or travel-approving official.
3. Create travel authorization in CONCUR (upload NFS Request Memo and written offer) for Ethics approval.

### Things to Remember:

- Must have a written offer
- Never solicit an offer (including, air or hotel upgrades)

### After You Return (within 5 days):

1. Complete the NFS Reimbursement Form and upload expense voucher in CONCUR for approval.
2. Email the NFS Reimbursement Form to the NFS and cc' finance@ftc.gov.

### Keep in Mind:

- The FTC may only accept NFS travel reimbursement from a: 1) 501(c)(3) nonprofit; 2) foreign government; or 3) foreign non-profit.
- An NFS may still be disqualified for conflicts of interest.





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*When in doubt, give  
Ethics a shout!*



Some people misuse their federal positions for the private gain of themselves or others with whom they are affiliated in their personal capacities. Here's a travel-related example in the ethics Hall of Shame.

**Don't Abuse Your Official  
Travel Privileges!**

A Deputy Under-Secretary in the Department of Education was also employed in his personal capacity as a traveling judge for the state of Texas. He failed to report his outside source of income on his financial disclosure form. He made at least 14 trips at the expense of the federal government where the travel was *at least partly* made to accrue time toward a Texas state pension. During this "official" travel, he also abused federal sick leave and obtained federal reimbursement for personal expenses.

After pleading guilty to a conflict of interest of interest statute, he received one year of probation, 100 hours of community service, a \$5,000 fine, and had to reimburse the federal government \$8,659.85 for his fraud.



**Ethics K-9 Korner**



I feel like I'm forgetting something...  
Oh right! I need to have my NFS travel approved before I travel!

**Attention All Pet Lovers!**  
Got a cat? Ferret? Llama? Micropig?  
We are now accepting ALL PETS to feature in the "Ethics K-9 Korner."  
This quarter's winner is Pippa, submitted by (b)(6) in Congressional Relations.  
Is your pet cuter? Prove it! Send entries to: cbannon@ftc.gov

# The FTC Ethicist

Brought to you by  
The FTC Ethics Team



Back by popular demand, THE FTC ETHICIST is here for a new year and a new season (welcome, Spring)! Whether you are new to the FTC, just got promoted, or are looking for a new job outside the government, you may be confronted with new ethics issues. The FTC Ethics Team is here to help you get off to a fresh start.

## Back to the Basics: The 14 General Principles & Other Issues

Current and former employees are subject to many ethics rules. Fortunately, you don't need to be an ethics expert. Simply keep the following general principles in mind to help you spot issues so you know when to contact the ethics team for help:

1. Public service is a **public trust**;
2. Do not hold **financial** interests that **conflict** with your duties;
3. Do not use **nonpublic information** for private interests;
4. Do not **solicit/accept gifts** from prohibited sources [or subordinates];
5. Put forth an **honest effort** in performing your duties;
6. Do not make **unauthorized commitments**;
7. Do not use **public office for private gain**;
8. Act **impartially** (i.e., ensure your duties do not conflict with your personal relationships) & do not give **preferential treatment** to non-federal entities;

9. Use **government property** only as authorized;
10. No **outside employment** that conflicts with your duties [and get **prior approval**];
11. Disclose **waste, fraud, abuse**, and corruption;
12. Satisfy in good faith your **obligations as citizens** (e.g., pay taxes);
13. Adhere to **equal opportunity** laws (i.e., don't discriminate); and
14. Avoid **appearances of impropriety**.

In addition to the 14 general principles, look out for these other issues:

- Political activities;
- Charitable fundraising;
- Representing others before the U.S. government; and
- Post-government employment.

### Important Dates:

April 17, 2018 - file federal taxes

May 15, 2018 - submit annual, public financial disclosure report (OGE Form 278e)

### Your Conflicts May Affect Your Cases!

In Feb. 2018, the National Labor Relations Board vacated its own decision and order in a high-profile case, Hy-Brand, after the NLRB's Inspector General issued a report finding that a Board member, William Emanuel, had a conflict of interest arising from his former employer and should have been disqualified from participating in the case. While unprecedented and controversial, this NLRB decision is a reminder that ethics matters. Don't jeopardize your cases. When in doubt, give ethics a shout!



Office of the General Counsel

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- Lorielle Pankey (x3108)
- Alice Bartek-Santiago (x2191)
- Craig Bannon (x2067)
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Thank you for reading the FTC Ethicist!



Working on matters affecting a prospective employer got this fed a spot in the Hall of Shame and more.

**Chief Warrant Officer Violates Criminal Statute on Financial Conflicts of Interest**

A Chief Warrant Officer (CWO) in the U.S. Marine Corps. shared confidential government information with a Dept. of Defense contractor that, in turn, used the information to coach the CWO how to draft a solicitation's statement of work to favor the contractor. As a member of a technical review board for the acquisition, the CWO also recommended selection of the contractor for the contract award. The CWO did not disclose to his superiors that he had been engaged in future employment discussions with the contractor since before the contractor submitted its bid proposal. The CWO pleaded guilty to violating 18 U.S.C. § 208 and was sentenced to one year probation, a \$25 special assessment, and a \$250 fine.



**Ethics K-9 Korner**

Seeking employment outside the FTC? Check with Ethics to avoid violating criminal and other ethics laws!



Attention All Dog Lovers!

We still want entries for the "Ethics K-9 Korner," which features an adorable pooch with an ethics tip.

This quarter's winner is Jenni. Her proud owner is (b)(6) in BCP.

Is your dog cuter? Prove it! Send entries to:

[abarteksantiago@ftc.gov](mailto:abarteksantiago@ftc.gov)

# The FTC Ethicist



Summer is here! Time for well-earned relaxation. But don't get too comfortable when it comes to complying with financial disclosure laws. In this issue, we remind you about all the filing requirements. Heed these warnings and keep your vacation stress-free!

## Financial Disclosures: The Good, The Bad, The MONEY



Here is an overview of each type of financial disclosure report, what you must disclose, and hints to avoid any penalties.

### OGE Form 278

This public financial report must be filed online at [www.integrity.gov](http://www.integrity.gov). Senior officials must disclose outside positions, financial holdings, liabilities, and other information. This report is filed within 30 days of a filer's start date and annually thereafter. Late filings are subject to a \$200 penalty. Extension re-

quests should be made in writing before the deadline.

### OGE Form 278-T

Senior officials must also promptly and publicly disclose via [www.integrity.gov](http://www.integrity.gov) transactions for certain assets they, their spouse, or their dependent child(ren) own. The report covers purchases, sales or exchanges of stocks, bonds, commodity futures, and certain other securities exceeding \$1,000 on a single occasion. It must be filed within 30 days of knowing of a covered transaction

and, regardless of knowledge, no later than 45 days after the transaction. Late filings are subject to a \$200 penalty unless you receive a waiver for an extraordinary circumstance (the press of FTC business rarely meets the test).

### OGE Form 450

GS-14's, -15's and all FTC acquisition staff file this confidential financial report within 30 days of starting and then annually. The 450 collects information like stock ownership, gifts, and out-

### Not a Senior Official?

Even if you don't file a financial disclosure report, the law prohibiting you from working on FTC matters affecting your financial interests still applies! Keep track of what you, your spouse and your minor children own and do not work on FTC matters affecting those entities or individuals.

side activities. Request an extension before the filing deadline to avoid administrative penalties.

**REMEMBER:** Never knowingly falsify a report or submit incorrect info. If you have questions, ask an ethics official.



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Thank you for reading the FTC Ethicist!



Editor's Note: This is my last issue, since I've accepted an ethics position with the Department of Interior. It's been an honor working with you all! Thank you for making my time here FUN. All the best, Alice Bartek-Santiago



Working on matters affecting his financial interests AND LYING got this fed a spot in the Hall of Shame.

**Former FDA Commissioner Convicted for False Financial Disclosures and Conflict of Interest**

In 2007, the U.S. District Court for D.C. sentenced a former Commissioner of the Food and Drug Administration (FDA) to serve three years of probation, along with 50 hours of community service, and to pay fines totaling \$89,377.36. The former Commissioner pled guilty to two misdemeanor charges involving false financial disclosures and a violation of the conflict of interest statute, 18 U.S.C. 208, which prohibits a Government employee from participating in any activities in which he, his spouse, or minor child has a financial interest. Between 2002 and 2006, the former Commissioner held several senior positions which required him to certify and file six financial disclosure reports. Although the Commissioner declared he and his wife had sold the stock they owned in numerous "significantly regulated organizations," the couple failed to disclose that they actually retained stock in several of the companies. The conflict of interest violation occurred when the Commissioner was acting as the Chairman of the FDA's Obesity Working Group. Investigators discovered two of the companies in which the Commissioner and his wife held stock had a direct financial interest in the group's conclusions.

**Ethics K-9 Korner**



**Calling All Pets!**

Got a cat? Ferret? Llama? Micropig? We are now accepting ALL PETS to feature in the "Ethics K-9 Korner." This quarter's winner is Tank. Her proud owner is (b)(6) in Financial Practices.

Is your pet cuter? Prove it! Send entries to: [cbannon@ftc.gov](mailto:cbannon@ftc.gov)

Brought to you by  
The FTC Ethics Team  
& "B.K."

VOLUME 4, ISSUE 3  
FALL 2018

# The FTC Ethicist

Our Founding Fathers preferred quill pens but today many use social media to communicate. As we approach the November elections, now is a great time to review Hatch Act limits on partisan political activities inside the federal workplace, while on official duty, and online. Some limits are anywhere, at all times.

**Political Activity: any activity directed toward the success or failure of a partisan candidate, political party, or partisan political group.**

Do not engage in political activity via social media or otherwise while:

- On duty including when teleworking; or
- In a federal room or building including break rooms, conference rooms, gyms, cafeterias, and union offices; or
- Wearing an official uniform or insignia; or
- Using a government vehicle

**No Fundraising:** Do not solicit, accept, or receive political contributions at any time.

All FTC employees must never:

- Ask for donations (in person, via email, social media, etc.)
- Share or "like" fundraising posts on social media
- Host a fundraiser
- Invite others to a fundraiser

**Using an alias** (e.g., "Sasha Fierce" instead of "Beyoncé") **does NOT get you around the Hatch Act.** Postings by Sasha Fierce must comply with the Hatch Act (assuming Beyoncé works here).

**Profile pics (Facebook) and profile headlines (LinkedIn)** accompany most messages on social media platforms. If you use a candidate photo or campaign slogan as your profile pic/headline, any post is political activity. In other words, even a post about what's for dinner tonight would be a violation if sent while on official duty.

**Supervisors and subordinates** may "friend" or "follow" each other but supervisors must never target partisan messages to subordinates or to a subset of "friends" that includes subordinates.

## Don't Get Spooked by the Hatch Act or Social Media!



If you are a career member of the Senior Executive Service or an Administrative Law Judge, you are "Further Restricted." All other FTC employees are "Less Restricted." For more guidance, review FAQs on OSC's website at <https://osc.gov/Pages/HatchAct-FAQs.aspx>.

Also check out the [FTC's Social Media FAQs](#) for guidance on personal vs. FTC official accounts.



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Thank you for reading the FTC Ethicist!



**Required to Take Ethics Training? Pay Attention!**

Total disregard of ethics training and counsel landed this fed in the FTC Ethicist Hall of Shame.

**ICE Employee Resigned with 5-Year Debarment for Flagrant Hatch Act Violations**

An Immigration and Customs Enforcement (ICE) employee agreed to resign and not return to federal service for five years after committing numerous Hatch Act violations. The employee admitted to posting more than 100 social media messages between March and November 2016 in support of then-presidential candidate Hillary Clinton while on duty or in the workplace. She also admitted to, while at work, telling coworkers to vote for Hillary Clinton and inviting them to attend a campaign rally. The punitive settlement terms considered that the employee had significant Hatch Act knowledge and received guidance from ICE via email and annual ethics training, but failed to change her behavior, even after OSC interviewed her.

The Hatch Act limits certain political activities of federal employees. The Act ensures federal programs are administered in a nonpartisan fashion, protects employees from political coercion, and requires employees advance based on merit instead of political affiliation.

**Ethics K-9 Korner**



Keep "paw"litics out of the federal workplace. Hatch Act limits apply at home and online too.

**Calling All Pets!**  
Got a cat? Ferret? Llama? Micropig?  
We are now accepting ALL PETS to feature in the "Ethics K-9 Korner." This quarter's winner is B.K. (short for Baby Kitten).  
Submitted by (b)(6) in Mergers IV, BC.  
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VOLUME 3, ISSUE 4

FALL 2017

Brought to you by The FTC Ethics Team

# The FTC Ethicist

Fall is upon us! Changes in the leaves serve as a reminder to stay on top of changes to your investment portfolio. Have “you” purchased stocks, bonds, or sector mutual funds? All of us must stay mindful of potential conflicts to avoid actual conflicts under criminal law. Senior staff must promptly and publicly disclose stock and bond transactions above \$1,000 (including, purchases that stem from the automatic reinvestment of dividends).

## Can Ownership of Financial Assets in Affected Non-Parties Create a Conflict? YES!!!

As an Executive Branch employee, you have the opportunity to use your talent and expertise to do work that benefits the public. Sometimes your official duties may benefit “you” personally or may affect other individuals and organizations that you have some connection with outside of your FTC job. In these circumstances, someone might reasonably question whether your official actions are properly motivated.

It may seem obvious that holding stocks, bonds, or other financial ties to entities that are parties to a matter might create a conflict of interest. But what if you have financial ties to third parties in a specific party matter? Could those holdings lead to a conflict?

Yes! For example, if “you” hold stocks or bonds in an entity that is a complainant, CID recipient, or the direct competitor to the target of an investigation, you might be prohibited from working on that matter.

As a refresher, you are prohibited from participating personally and substantially in an official capacity in any particular matter in which to your knowledge you (or anyone whose interests are imputed to you) has a financial interest, if the particular matter will have a direct and predictable effect on that interest. 18 U.S.C. § 208.

You don’t have to be concerned about the underlying holdings of independently managed, diversified mutual funds. You also don’t have to be concerned

with de minimis ownership of publicly traded securities, long-term U.S. federal government securities, or U.S. municipal securities:

\* For a matter involving specific parties (e.g., an investigation of a particular company or a merger review), the de minimis threshold is no more than a total of \$15,000 in all entities that are parties to the matter (you must aggregate the value of all relevant holdings). If you hold securities issued by one or more entities that are not parties to the matter but are affected by it, the de minimis threshold is \$25,000 in all affected entities (same).

\* For a matter of general applicability (e.g., an industry-wide rulemaking or study), the de minimis

threshold is no more than \$25,000 in a single affected entity and no more than \$50,000 in all affected entities. So, for example, if you were working on a rulemaking affecting the fast food industry and you own stock in the McDonald’s Corporation, the Starbucks Corporation, and The Wendy’s Company, each holding must be less than \$25,000 and when you add them together the total must be less than \$50,000.

\*The de minimis threshold is no more than \$50,000 for sector mutual funds (you must aggregate the value of funds that focus on the same sector).

Reach out to Ethics for guidance before working on a matter in which “you” hold a financial interest.





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Ethics a shout!*

**When it comes to financial conflicts of interest, we are concerned about “you.”** For purposes of 18 U.S.C. § 208, “your” financial interests include the interests of: your spouse, minor child, or general (business) partner; anyone you serve as an officer, director, trustee, or employee; and anyone with whom you are negotiating or have an arrangement for future non-federal employment.

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**Check us out on the intranet!**  
[ftcintranet.ftc.gov/cfportal/ethics/](http://ftcintranet.ftc.gov/cfportal/ethics/)

# HALL OF SHAME

Some people make famously bad decisions. Here is an unethical fed who wound up in the Hall of Shame.

**A Chief Financial Officer/  
Chief Information Officer at the  
U.S. Department of Education  
Violated 18 U.S.C. 208**

While the official held the above titles at the Department of Education, his wife owned 600 shares of Compaq computer stock that she inherited from her mother. During this period, the official worked on matters concerning Compaq computers. The Government alleged that the official violated 18 U.S.C. 208, for participating personally and substantially in a particular matter in which, to his knowledge, his spouse had a financial interest.

Pursuant to a civil settlement, the official paid the Government \$20,000, and the Government released him from its claims.

Keep an eye on “your” investments in third parties to avoid criminal financial conflicts of interest!

## Ethics K-9 Korner



Sit. Stay. Smile!

We are looking for high-quality photos to feature in the next “Ethics K-9 Korner.” This quarter’s winner is KiKi, owned by (b)(6) in WRO (Los Angeles).

Is your dog cuter? Prove it!

Send entries to:  
cbannon@ftc.gov

# The FTC Ethicist

Brought to you by The FTC Ethics Team

VOLUME 3, ISSUE 3

SUMMER 2017



## FEDERAL POST-EMPLOYMENT RESTRICTIONS: A BRIEF OVERVIEW

If you think navigating the world of federal ethics while still an employee is tough, try keeping all the restrictions straight that apply to you after you leave federal service. It can be sink or swim. Lucky for you, the Ethics Team has put together a handy list of common post-employment restrictions that you should keep in mind. Stay afloat by consulting these rules and contacting an ethics official before you paddle into the open waters of post-government employment.



| SUBJECT OF RESTRICTION                                  | STATUTORY REQUIREMENTS   |
|---|--|
| MATTERS IN WHICH FORMER EMPLOYEE PARTICIPATED           | 18 USC § 207(a)(1) permanently bars all former employees from communicating to any federal department, agency or court on behalf of another in connection with a specific party matter in which they participated.   |
| MATTERS UNDER FORMER EMPLOYEE'S OFFICIAL RESPONSIBILITY | For two years, 18 USC § 207(a)(2) bars all former employees from communicating to any federal department, agency or court in connection with a specific party matter on behalf of another if the matter was pending under their official responsibility during their final year of employment. |
| CONTACT WITH FORMER AGENCY                              | For one year, 18 USC § 207(c) bars "senior" employees from contacting their former agencies on behalf of another with the intent to influence official action.   |
| SHARING FEES FROM ANOTHER'S REPRESENTATION              | 18 USC § 203 bars all former employees from sharing in fees for representational services rendered by another at the time of their government employment on matters involving the U.S.   |
| FTC CLEARANCE RULE                                      | 16 C.F.R. § 4(b)(2) requires all former employees to seek clearance to work on most FTC matters pending while they worked here.  |

### Been Here Long?

All FTC employees hired prior to January 1, 2000, who are now at the GS-13 level or below must complete online ethics training.

### Annual Training

Certain GS-13 level and below employees must now receive annual ethics training along with GS-14 and GS-15 employees. If you have been notified that you are due for live training, sign up for a summer session today.



Office of the General Counsel

**FTC ETHICS TEAM**

- Chris White (x 2476)
- Lorielle Pankey (x3108)
- Alice Bartek-Santiago (x2191)
- Craig Bannon (x2067)
- Regina Duarte (x3547)

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Ethics a shout!*

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**Check us out on the intranet!**  
[ftcintranet.ftc.gov/cfportal/ethics/](http://ftcintranet.ftc.gov/cfportal/ethics/)



Some people make famously bad decisions. Here is an unethical fed who wound up in the Hall of Shame.

**Take A Year To Cool Off  
Or Find Yourself In Hot Water**

A Senior Executive Service (SES) employee of the State Department, who had been tasked with assisting the Bosnian Government in purchasing military supplies, retired and within several days took employment with a private contractor of military hardware. Six months later, he recommended to the U.S. Embassy in Sarajevo that it support his bid for a contract between his new employer and the Bosnian Government. His bid for the contract was successful, but he also succeeded in securing legal action from the U.S. Government. 18 U.S.C. § 207(c) bars every SES employee for one year after ending employment with the U.S. from knowingly communicating with the Federal agency or office with which he has worked, with the intent of influencing that agency or office on behalf of anyone (other than the Government) who seeks an official action. The employee agreed to a \$10,000 settlement in exchange for being released from legal proceedings.

**Ethics K-9 Korner**



Saying good-bye? Call an Ethics Team member to schedule a post-employment briefing!

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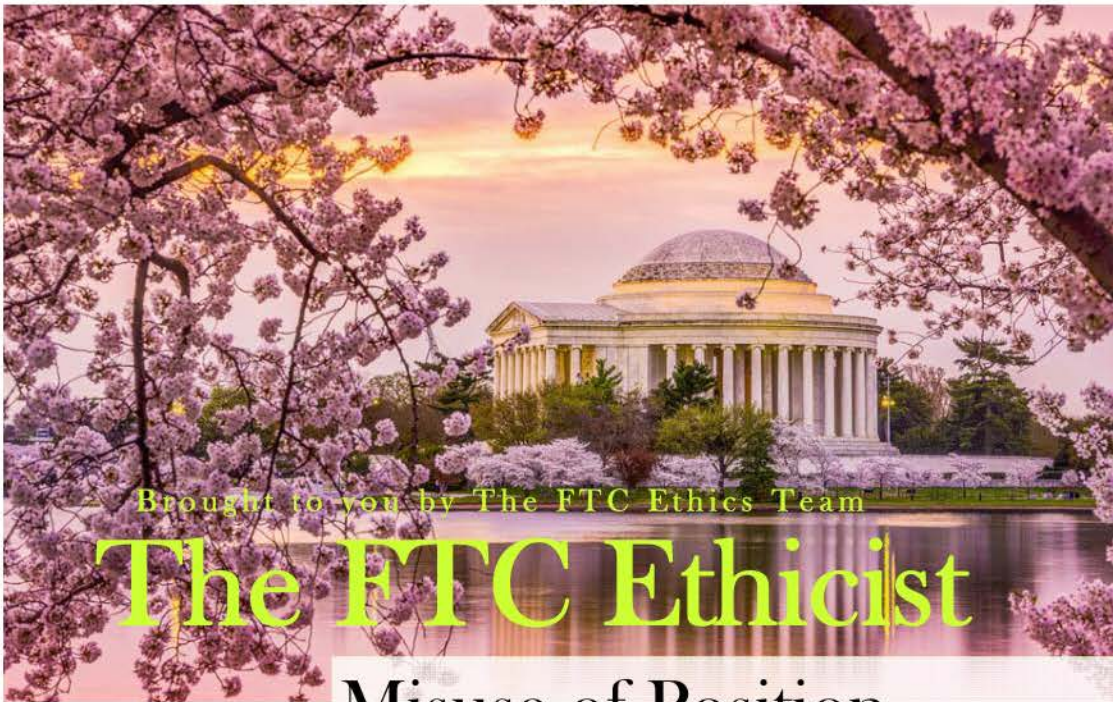
VOLUME 3, ISSUE 2

SPRING 2017



**Reminder:**

Annual public financial disclosure reports (OGE Forms 278e) are due by May 15.



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# The FTC Ethicist

## Misuse of Position

"It is generally recognized that Government employees are held to higher ethical requirements than the private sector, so what may be acceptable for others is of little moment."

- U.S. Office of Government Ethics

### **Notice to Managers**

Based on recommendations from OIG, the Ethics Team will expand its mandatory ethics training program. In particular, we are focusing on current FTC employees hired prior to January 1, 2000, who are at the GS-13 level or below and any GS-13 level and below employees that FTC managers designate as "high risk." Managers were asked to identify "high risk" employees on or before Friday, March 24, 2017. Please send your updates to Regina Duarte: [rduarte@ftc.gov](mailto:rduarte@ftc.gov)

## Standards of Conduct Prohibit Appearances of Impropriety

When you become a federal employee, you are asked to do more than simply perform your job; you assume a position of public trust. Among your official duties, it is imperative that you conduct yourself in a manner which builds public confidence in your impartiality and stewardship of government resources. This includes ensuring you never abuse your

title or position. A fundamental principle of the Standards of Conduct is that employees must not use public office for private gain. This is not limited to instances in which gain accrues to the employee personally. The Standards also prohibit an employee's use of his public office for the private gain of persons with whom he is affiliated in a non-governmental capacity.

Even the appearance of abusing official power will get you in trouble. If you are engaged in personal activities, be sure to make a clear distinction between acting in your official capacity and acting as a private citizen. Be especially cautious about endorsing the activities of others. Remember, as federal employees, we are held to a higher standard. It's our job to get it right.



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Some people make famously bad decisions. Here is an unethical fed who deserves a spot in the Hall of Shame.

**Federal Agent Demoted for I.D.ing Herself as Such to a Police Officer**

A Supervisory Special Agent for the Department of the Treasury (GS-14) was a passenger in a car that was pulled over by a local police officer. When the officer approached the vehicle, the employee presented the officer with her credentials identifying herself as a Federal Agent. The police officer had not asked to see the employee’s identification at all. Because law enforcement officials may be tempted to treat other law enforcement officials more favorably, the Department determined the employee presented her government credentials to the police officer in hopes of receiving more favorable treatment. The federal employee did not explicitly ask the police officer for any favors, but the circumstances led her agency to the conclusion that she had attempted to use her official position for personal gain, which is prohibited by federal ethics rules. As a result, the employee’s agency determined that she was untrustworthy as a supervisor and she was demoted.

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**Ethics K-9 Korner**



Pulling your hair out over a personal dispute? Don't complain using your official ftc.gov email!

Attention All Dog Lovers!

We still want entries for the “Ethics K-9 Korner,” which features an adorable pooch with an ethics tip. This quarter’s crazy-haired winner is Toto. His proud owner is (b)(6) (b)(6) in OIA.

Is your dog cuter? Prove it! Send entries to: [abarteksantiago@ftc.gov](mailto:abarteksantiago@ftc.gov)



# The FTC Ethicist

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The FTC Ethics Team

VOLUME 3, ISSUE 1

WINTER 2017

Another year, another set of resolutions you intend to keep. Although your good intentions may be difficult to adhere to, one easy thing should be maintaining compliance with ethics requirements, both new and old. Find lots of helpful tips ahead!

## “I GOT A GIFT. NOW WHAT?” New items to consider based on changes to gifts rules

The U.S. Office of Government Ethics (“OGE”) has amended the rules that govern gifts from outside sources. Here are some highlights:

### I. Declining Otherwise Permissible Gifts

In evaluating the appropriateness of accepting an offered gift, there is now a values-based standard that employees should consider when deciding whether to accept or decline offered gifts. Specifically, “employees should consider declining otherwise permissible gifts if they believe that a reasonable person with knowledge of the relevant facts would question the employee’s integrity or impartiality as a result of accepting the gift.”

### II. WAG Change

OGE has also amended the “Widely Attended Gatherings” (“WAG”) exception to expand the requirement for written authorizations. Under the new rules, every authorization to attend a WAG must be in writing.

### III. Books

There is a limited exception for gifts of informational materials, such as books, so long as the market value of the educational item does not exceed \$100. This exception recognizes that gifts of informational materials foster information sharing, benefit the agency and the Government, and accommodate the right of citizens to petition their Government.

### IV. Disposing of Prohibited Gifts

OGE also has added a new disposition authority in recognition that it can sometimes be difficult, cost-prohibitive, and time-consuming to return a gift. For tangible items valued at less than \$100, employees will be able to dispose of prohibited gifts by destroying them. Destruction can be accomplished by permanently discarding the item in the trash. Employees are encouraged to document the destruction (e.g., by sending an email to an agency ethics official).



**Welcome to Craig!**  
The Ethics Team welcomes a new deputy ethics official, Craig Bannon. Craig is a dedicated public servant, joining us from the Defense Logistics Agency. We are excited to have him on the team. Please feel free to direct questions to Craig at (202) 326-2067 or [cbannon@ftc.gov](mailto:cbannon@ftc.gov)

**Don’t Forget**  
Confidential Financial Disclosure Reports are due to your reviewing official on February 15, 2017  
Questions?  
Extension needed? Let us know before the deadline!



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Whatever your New Year's Resolutions, resolve not to ignore any federal ethics laws. Here is an unethical individual who deserves a spot in the Hall of Shame:

**Army Employee Sentenced for Conflicts of Interest**

A civilian employee of the U.S. Army pleaded guilty to violation of the conflicts of interest statute (18 U.S.C. 208) in Federal Court and was sentenced to one year probation and a \$1,000 fine. The employee had participated in the awarding and administration of contracts involving a company in which the employee owned stock, thereby participating personally and substantially as a Government employee in matters that affected his financial interests. The employee, who filed financial disclosure statements (OGE Form 450), had also failed to disclose his financial interest in the company.



**Ethics K-9 Korner**

Own company stock? Check with Ethics before working on any FTC matters involving that company!



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Is your dog cuter? Prove it! Send entries to: abarteksantiago@ftc.gov