



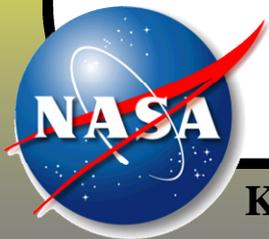
NASA Kennedy Space Center
New Employee Ethics
Office of the Chief Counsel



Kennedy Space Center New Employee Ethics Briefing

Topics covered in this ethics briefing:

- I. Major Sources of the Ethics Rules
- II. Gifts
- III. Financial Conflicts of Interest
- IV. Outside Activities

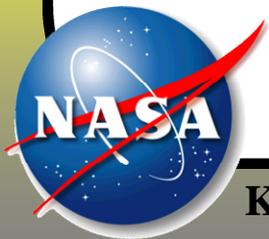


Homeland Security Supervisor

August 5, 2013

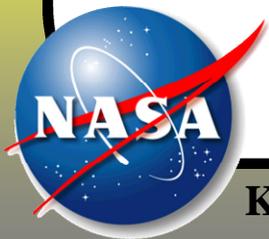
Source: Interagency Ethics Journal

A manager at Homeland Security helped a security service firm win more than \$31 million in Government contracts.



Why do Ethics Matter?

- Assure the public that basic standards are met
- Maintain a high opinion of government employees from public's view
- Avoid criminal or disciplinary penalties



I. Major sources of the Ethics Rules:

■ **Statutes:**

Title **18** of the United States Code (U.S.C.), at §§ 201 through 209

Procurement Integrity Act, at 41 U.S.C. § 423

Ethics Reform Act (Public Law 101-109, 11/89), at 5 USC app. §§ 501 et seq., 103 Stat. 1760

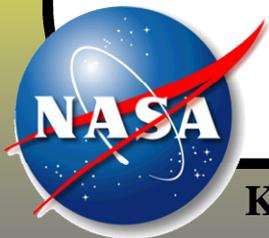
■ **Executive Orders (EO):**

EO 11222, which was replaced by EO 12674 (1989), which was modified by EO 12731 (1990)

■ **Regulations:**

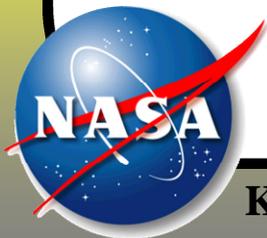
5 C.F.R. Part 2635 (Standards of Conduct)

5 C.F.R. Part 6901 (NASA Supplementary Standards of Conduct)

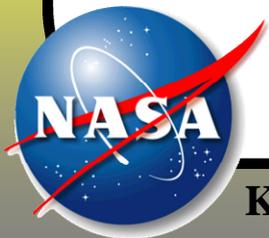


Principles contained in EO 12674:

- Public service is a public trust.
- Public servants shall **not**:
 - Hold conflicting financial interests.
 - Improperly use nonpublic information.
 - Accept or solicit gifts from a prohibited source (e.g., contractors).
 - Make unauthorized commitments or promises purporting to bind the Government.
 - Use public office for private gain.
 - Engage in conflicting outside employment or activities.



- Public servants **shall**:
 - Give an honest effort in the performance of their work.
 - Act impartially and not give preferential treatment.
 - Protect and conserve Federal property, and not use it for unauthorized purposes.
 - Disclose waste, fraud, abuse, and corruption to appropriate authorities.
 - Satisfy their just obligations.
 - Comply with Equal Opportunity laws and regulations.
 - Avoid even the appearance of impropriety.



II. Gifts:

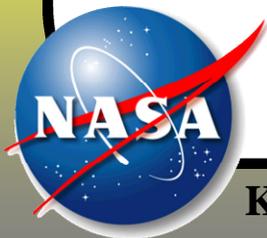


Gifts from Outside Sources:

The rule: 5 C.F.R. Parts 2635.201, 301

Federal employees may not solicit or accept a gift:

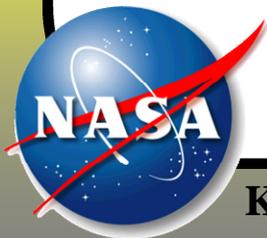
- From a “prohibited source”; or
- Given because of the employee’s official position.



Prohibited Source

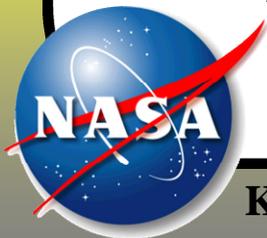
Any person or company who:

- Is seeking official action by NASA;
- Does business or seeks to do business with NASA;
- Conducts activities regulated by NASA;
- Has interests that may be substantially affected by performance or nonperformance of the employee's official duties; or
- Is an organization a majority of whose members fit into one of the above categories.



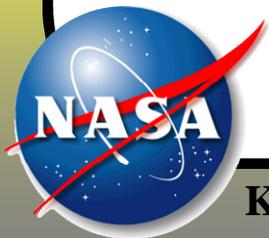
What's a Gift?

- A gift is anything of monetary value, such as
 - Discounts
 - Merchandise
 - Services
 - Transportation and Lodging
 - Training
 - Meals
 - Tickets, admission, or registration fees



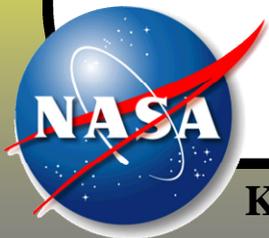
Exceptions

- Unsolicited, non-cash gifts of **\$20 or less per occasion**, not to exceed \$50 per calendar year from any one source.
- Friends and Family.
- Discounts offered to public/all government employees



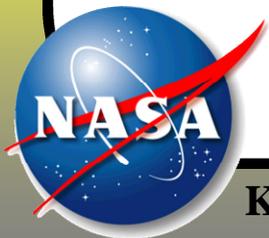
Limitations

- Accept a gift in return for being influenced in the performance of an official act.
- NEVER Solicit or coerce the offering of a gift.
- Accept gifts on a basis so frequent that a reasonable person would be led to believe you are using your public office for private gain.



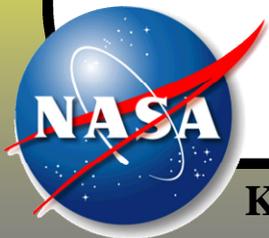
Remember:

It is always appropriate, and frequently prudent, for you to decline a gift if you believe it would give the appearance of favoritism or loss of impartiality – even if it properly falls within one of the gift exceptions.



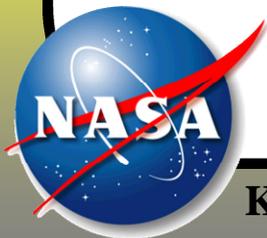
Gifts Between Employees

- With a few exceptions, you may not
 - Accept a gift from a subordinate or lesser-paid employee or
 - Give a gift to a superior or higher-paid employee
 - If the gift is valued at more than \$10



Exceptions

- On an occasional basis, where gifts are traditionally given, the following may be given/accepted:
 - Non-cash items worth \$10 or less per occasion.
 - Food and refreshments to be shared in the office among several employees.
 - Personal hospitality provided at a residence of a type and value customarily provided by the employee to personal friends, and customary items given in connection with such hospitality.

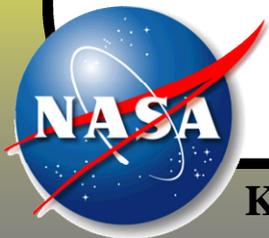


III. Financial Conflicts of Interest (18 USC § 208):

The basic rule is:

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

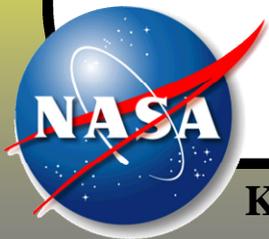
This rule arises from a **criminal** statute.



TAKEAWAY



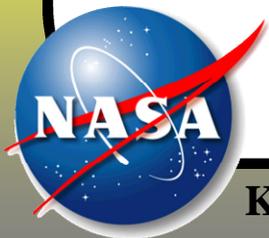
- Consider the source of a gift before accepting anything. Even if it is not from a prohibited source, could the gift be offered because of your position? If so, it may be a problem.



“Imputed interests”:

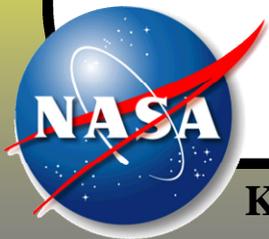
This statute is applicable not only to the federal employee’s interests, but also to the interests of the following persons:

- His/her spouse;
- His/her minor child;
- His/her general partner;
- An organization or entity which he/she serves as officer, director, trustee, general partner or employee; and
- A person with whom he/she is negotiating for or has an arrangement concerning prospective employment. (The “seeking employment” rules are discussed later in this ethics briefing).



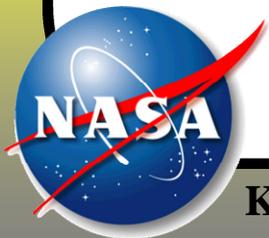
Conflict of Interest

- 18 U.S.C. § § 202-209
- 5 C.F.R. Parts 2635.401-502
- Areas where conflicts of interest may arise:
 - Outside Activities
 - Relationships
 - Financial Interests



Certain regulatory exemptions to § 208 exist. For example:

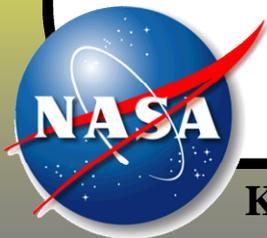
- Holdings of a diversified mutual fund; and
- Publicly-traded, or municipal, securities for entities affected by a matter, if the aggregate market value of the holdings of the employee, his spouse, and minor children in the securities of all such entities does not exceed \$15,000.



Conflicts of Interest



When you should contact your ethics official

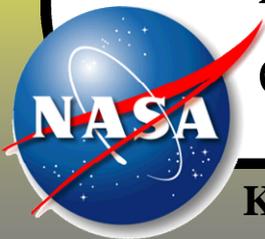


Relationships:

What's an imputed interest?

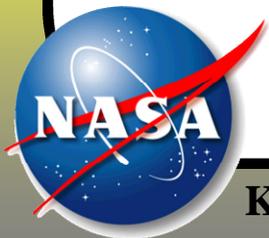
Your financial interests as well as those of ...

- Your spouse, live-in girlfriend/boyfriend, Roommate
- Your minor children
- Your general partners
- Any entity where you were/are an employee, officer, director, trustee, or general partner
- An entity with whom you negotiate or seek future employment.



Examples of Financial Interests

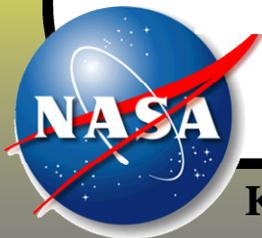
- Your or your spouse's stocks or mutual funds
- Spouse's employment
- Business partner's financial interest
- Grant application of a non-profit organization you serve as a director
- University where you are a adjunct professor



TAKEAWAY

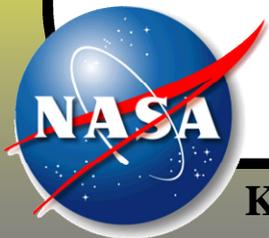


- If you're participating in anything in your job that could involve your financial interests or those with whom you have these relationships, you should contact your ethics official before taking any action.



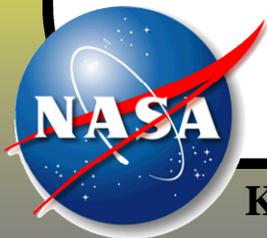
Outside Activities

- NASA Regulation 5 C.F.R. Part 6901
 - Have a part-time job?
 - Sit on a board or a commission?
 - Consult?
 - Speak, teach, or write/publish?
 - Participate very actively in a charity or community organization?
 - Participate in an organization in your profession?



Outside Activities

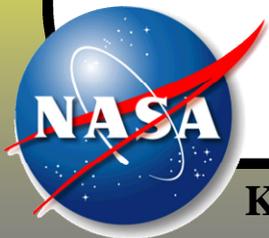
- Outside work cannot conflict with your official duties
- Can't fundraise at the office or on Federal property
- May require prior approval (KSC Form 2-244)
- You cannot be compensated for teaching, speaking, or writing that relates to your official duties!



Office of the Chief Counsel

NASA also requires employees to obtain approval before engaging in the following:

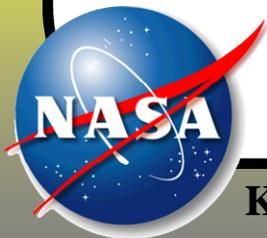
- Teaching, speaking, writing, or editing (unless it pertains to your private interests, such as a hobby, cultural activity, or non-work related professional pursuit);
- The practice of a profession or professional consulting services;
- The management or conduct of a business in which you or your spouse have an ownership interest;
- Holding a State or local public office, whether by election or appointment;
- Serving as an officer, trustee, or member of a board, directorate, or other such body of a for profit organization or for a non-profit organization that is a prohibited source;



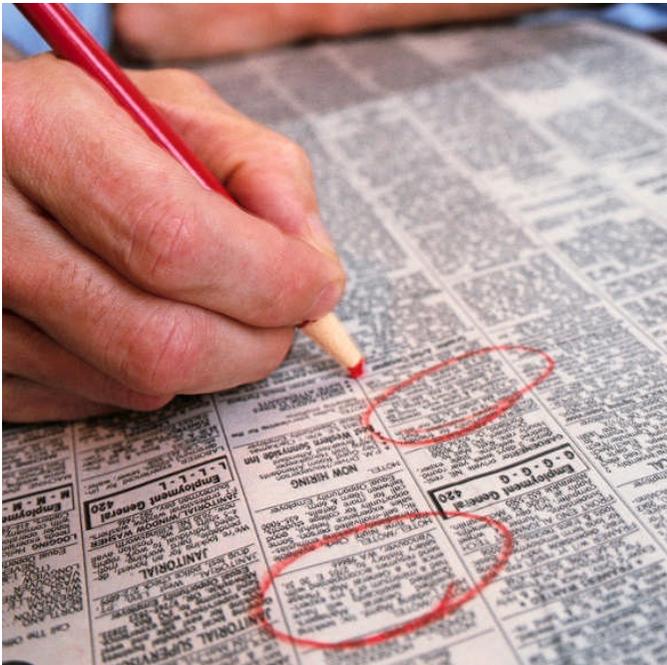
Prohibitions on Outside Activities

- Employment with a NASA contractor, subcontractor, or grantee in connection with work being performed by that entity for NASA.
- Employment with a party to a Space Act Agreement, Commercial Launch Agreement, or other Agreement to which NASA is a party for work performed under that Agreement.

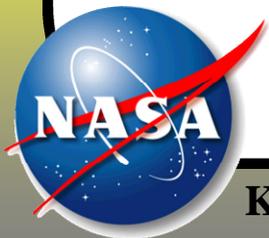
*Note: Pathways Interns who are on LWOP and they work during the LWOP, may need to file an Outside Employment Request.



TAKEAWAY



- Be mindful of how your activities outside of work could relate to your official duties. Check with your ethics official if you have questions.



ETHICS OFFICIALS

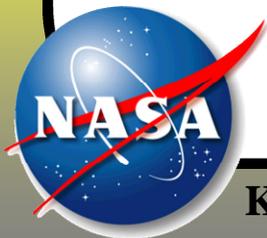
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