

# Ethics and Federal Government Contracts

Leigh A. Snyder  
Ethics Program Administrator  
410-786-6081



# Government Ethics

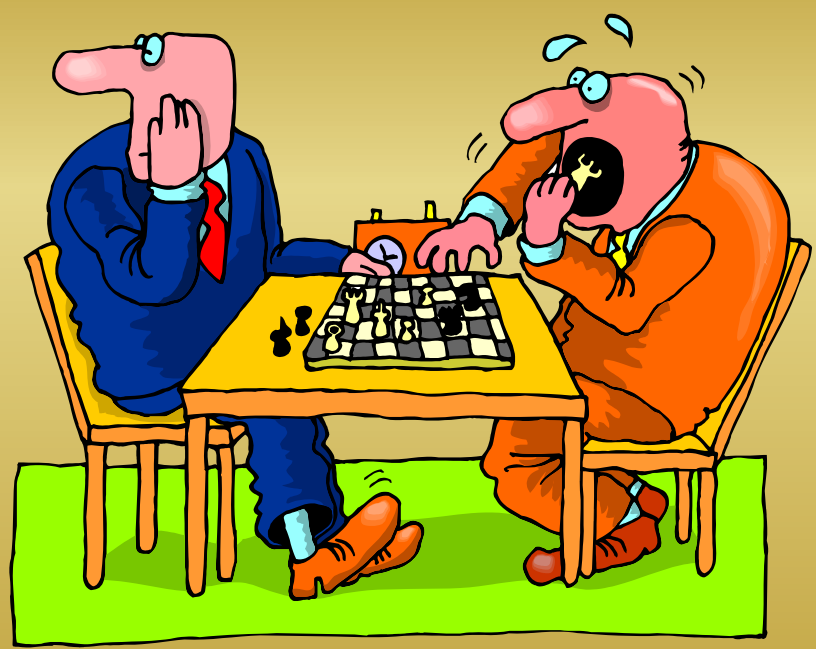
- Ethics laws and regulations apply to all Executive Branch employees
- Not applicable to contractors unless explicitly agreed to in the contract itself
- However, contractors who “help” employees break ethics rules put their companies and Federal government contracts at risk



# Conflicts of Interest

# The most important question

What does it look like to others?



**APPEARANCES APPEARANCES  
APPEARANCES**



# What to know.....

- **Be aware that conflicts of interest can cause bid protests and otherwise negatively impact federal government contracts**
- **Contact your supervisor or your federal contract liaison if you suspect a conflict of interest or appearance issue**



And remember... **WHAT DOES IT LOOK LIKE?**

# Financial Conflicts of Interest



18 U.S.C. § 208

*Criminal* conflict of interest statute.



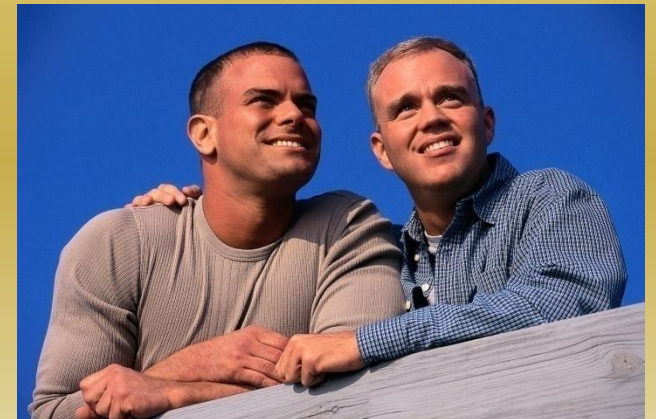
- Employees may not participate as a Government official in a matter that will have a direct and predictable effect on their financial interests, or the financial interests of their spouse, minor children, general partners, outside employers, **or prospective employers.**

# Prohibited Sources and Appearances

- A “prohibited source” is a person, company, or organization that:
  - (1) Seeks official action by CMS
  - (2) Does business or seeks to do business with CMS
  - (3) Conducts activities regulated by CMS
  - (4) Has interests that may be substantially affected by the performance or nonperformance of one’s official duties, or
  - (5) Is an organization a majority of whose members are described above.

# Covered Relationships

- Members of employee's household
- Close family members of employee
- Someone with whom employee seeks a business relationship
- A person with whom the employee's spouse, parent, or dependent child is serving or seeks to serve as an officer, director, agent, consultant, or employee
- A non-Federal employer for whom the employee worked within the last year





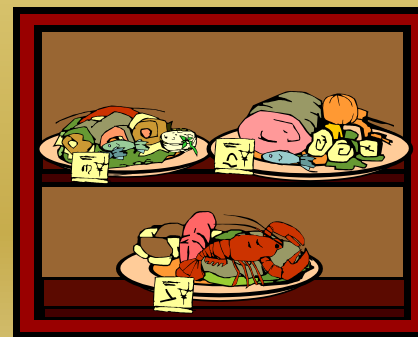
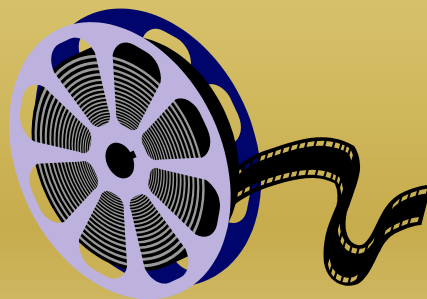


# GIFTS



# Definition of Gift

- A gift is anything of monetary value, including but not limited to gratuities, favors, discounts, entertainment, hospitality, loans and other services





# Gifts from Contractors

- Employees may not solicit or accept gifts from prohibited sources or gifts given because of their Government positions
- The rules allow employees to accept:
  - Light Refreshments (not part of a meal)
  - Greeting Cards, and other items of little intrinsic value
  - Gifts under \$20 per occasion
    - Up to \$50/ year from any one source
  - Gifts based on long standing personal relationships
  - Free attendance at meetings on the day of an employee's official duty participation or presentation

# Gifts From Contractors

- Exceptions:
  - Gifts under \$20 per occasion
    - Up to \$50/ year from any one source
  - Gifts given because of family relationship or longstanding personal friendship
  - Certain gifts resulting from outside business or employment relationships of employees and their spouses
  - Invitations to social events from non prohibited sources, provided no one is charged a fee to attend the event
  - Free attendance provided by the sponsor

# But remember ...

- It's always prudent for Government employees to refuse a gift – in fact we often advise that they should.
- It's best to refrain from gift-giving.



# Gifts To Contractors

- Government ethics rules do not cover gifts to contractors
- Consider favoritism and appearance issues
- Consider contractor's rules and policies about gift-giving

# Post-Employment and Contractors

- Post employment statutes cover all executive branch employees
- Managers, senior employees, and certain contracting officials involved in procurement are subject to additional restrictions
- These criminal statutes prevent former employees from making influential representations back to the Federal government on behalf of a third party about specific matters they worked on in the government

# How Can I Prevent Post-Employment Issues?

- Most common source of bid protests as they relate to ethics
- If you are involved in hiring, ensure that the employee has consulted with his/her ethics official about matters
- If you have concerns, ask the employee for the contact information of his or her ethics official. We can provide post-employment letters for employees