

Date: January 30, 2004

In reply refer to: Advisory-0104

Subject: Ethics Awareness in Dealing with Contractors

To: All OCFO Employees

The following is guidance on upholding ethical standards when dealing with contractors¹. As one of our commitments to public trust, it is important that we as Federal employees adhere to the highest ethical standards during our daily activities when dealing with contractors.

- ❖ **Avoid Conflicts of Interest:** Maintain an “arm’s-length” relationship with contractors. Refrain from action or conduct that creates an actual or apparent conflict of interest or divided loyalties. For example, if you own stock in a company with which you are negotiating a Government contract, you should recuse yourself from the project.
- ❖ **Refrain From Offering Or Accepting Gifts Or Gratuities:** To avoid the appearance of impropriety, decline any gift that would raise the slightest question of improper influence. This includes favors, entertainment, service, conference, fees, transportation, lodging, meals, loans, and discounts not available to the general public.
- ❖ **Refuse Bribes, Kickbacks, or Unlawful Payments:** Any offer or promise of money, property, services or anything of value, whether made directly or indirectly to a Government employee, relative or associate is strictly forbidden. Such offers should promptly be reported to your immediate supervisor and to the Agency Ethics Office.
- ❖ **Do Not Discuss Employment or Business Opportunities:** Do not inquire about job offerings at companies doing business with the Office of the Chief Financial Officer (OCFO).
- ❖ **Do Not Disclose Proprietary or Source Selection Information:** Do not allow prospective contractors to solicit information or provide such information about procurements prior to the award of a contract.
- ❖ **Exceptions to the above Rules:** *Certain* gifts, gratuities, and entertainment expenditures that contractors offer to Government employees are permitted. These include:
 - Promotional items bearing a corporate logo or product name, which is of nominal value (less than \$20),
 - Reasonable meals or refreshments (not to exceed \$20 per person, per meal; \$50 annually) during the course of a meeting or activity that has an exclusive business purpose. However, these are not available to Government contracting officers or other Government officials participating personally and substantially in procurement decisions.
 - Reasonable travel, subsistence and related expenses, but only in unusual circumstances, such as remote or inaccessible locations. This applies to Government employees in attendance at non-promotional or non-marketing events in an official capacity, so long as

¹ Source: Customers First for Government

appropriate Government officials have authorized the trip in advance. However, no such expense can be paid for a Government official having personal and substantial involvement in Government procurement. 2

- ❖ **Report Corrupt Practices Or Unethical Conduct:** If you believe a Government contractor or fellow employee has violated any law or regulation, or engaged in unethical conduct, report it to your supervisor and to the Agency Ethics Office. Integrity is critical to the success of the Government's procurement process, and to public trust as well. We must do our part to uphold ethical standards at the OCFO.

This information is provided to encourage us as civil servants, to uphold the ethical spirit of the law and avoid loose interpretations. Therefore, even if some actions are permissible, depending on your official capacity, prudence and good judgment may dictate that you decline to accept a gift or take actions that would *appear* inappropriate.

Additional information on procurement integrity can be reviewed in Title 41, United States Code, Section 423 on the United States Department of Agriculture, Office of Ethics web site at <http://www.usda-ethics.net/rules/index.htm>

If you have questions or encounter situations not covered by this guidance, please contact your supervisor. Supervisors with inquiries should contact the Agency Ethics Office at 504-255-5679 or 504-255-5580.



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