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Basic changes are needed in the executive branch enforcement of financial disclosure reporting requirements. Findings/Conclusions: Executive Order 11222 prescribed standards of ethical conduct for Government officers and employees and directed the Civil Service Commission to establish guidelines for agency financial disclosure systems. The executive branch conflict-of-interest program can no longer be managed on an ad hoc basis with limited support and insufficient resources. Many potential conflicts were obvious in statements which were filed, but were not questioned by the persons who reviewed the statements or were not resolved. Many employees who were required to file statements failed to do so or filed late. Many were not required to file, although they should have been. Recommendations: The President should: issue a clear statement to the heads of all executive departments and agencies setting forth a firm commitment to the highest standards of ethical conduct; establish an executive branch office of ethics with adequate resources to address the problems of enforcement and compliance; amend the Executive Order to clearly define the terms "conflict substantially" and "substantially affected"; and amend the order to require all designated employees to disclose additional types of data and to require the collection of information necessary to enforce agency conflict-of-interest laws and administrative prohibitions. (Author/SC)

00656

REPORT TO THE CONGRESS



BY THE COMPTROLLER GENERAL
OF THE UNITED STATES

Action Needed To Make The Executive Branch Financial Disclosure System Effective

Executive Order 11222 prescribed standards of ethical conduct for Government officers and employees and directed the Civil Service Commission to establish guidelines for agency financial disclosure systems. During the past 2 years, GAO has reviewed many Federal agency disclosure systems and found deficiencies which lessened their effectiveness. This report discusses what can be done to improve the overall administration and enforcement of the executive branch system.



COMPTROLLER GENERAL OF THE UNITED STATES,
WASHINGTON, D.C. 20548

B-103987

To the President of the Senate and the
Speaker of the House of Representatives

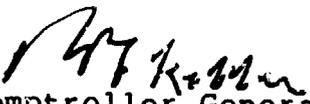
This report summarizes our observations on the executive branch enforcement of financial disclosure reporting requirements. None of the recent legislative proposals for reform have dealt with how the current executive branch system could be strengthened.

The report highlights (1) problem areas in 18 executive branch systems, (2) how we think Executive Order 11222 can be improved, and (3) categories of financial information needed by ethics counselors to detect and resolve conflict-of-interest matters. Our recommendations, directed to the President of the United States, can be viewed as a supplement to public disclosure requirements that the Congress or the President may call for at a later time.

We made our review pursuant to the Budget and Accounting Act, 1921 (31 U.S.C. 53), and the Accounting and Auditing Act of 1950 (31 U.S.C. 67). Several Members of Congress also asked us to review the effectiveness of Federal agencies' financial disclosure systems.

We did not obtain formal comments from officials of the Civil Service Commission. Instead, we met with officials in its Office of the General Counsel who are responsible for the financial disclosure program. In general, they agreed with our recommendations, and their comments were considered in the report.

We are sending copies of this report to the President of the United States; the Director, Office of Management and Budget; the Chairman, Civil Service Commission; and other interested parties.


ACTING Comptroller General
of the United States

D I G E S T

The system requiring Federal employees to report their financial interests is not working as it should.

Operation of the system was delegated to the Civil Service Commission by the President, who in 1965, prescribed under Executive Order 11222, the standards of ethical conduct.

On the basis of GAO's 18 previous reviews on financial disclosure systems in Federal departments and agencies, GAO recommends that an office of ethics be established in the executive branch with administrative and enforcement authority strong enough to carry out the multiple responsibilities involved in operating a sound financial disclosure system. The executive branch conflict-of-interest program can no longer be managed on an ad hoc basis with limited support and insufficient resources.

GAO came to this conclusion after finding numerous cases in which employees owned stock or had other financial interests in companies that could conflict with their official duties. Many of these potential conflicts were obvious, yet those who reviewed the statements either did not question them or, if they did, failed to resolve the potential conflicts.

Many employees who were required to file statements failed to do so or filed late. Many others had filed but their statements were missing. Many were not even required to file, although they should have been.

In addition, GAO found problems in the:

- Criteria for reviewing financial disclosure statements and for determining who should file.
- Procedures for collecting, processing, and controlling the financial disclosure statements.
- Methods for exacting timely remedial action to resolve conflicts that are detected.
- Procedures to ascertain that employees who have been required to disqualify themselves on matters affecting their financial holdings have, in fact, done so.

Some agencies have strengthened their systems in line with GAO's recommendations. However, departments and agencies will have to obtain more information from their employees if the appearances of conflicts of interest are to be avoided.

GAO recommends that the President:

1. Issue a clear statement to the heads of all executive departments and agencies setting forth a firm commitment to the highest standards of ethical conduct. Such statement should indicate the need for (a) each agency to promulgate ethics regulations that include compliance with regulations and laws applying to the functions and activities of the agency and (b) more stringent enforcement and evaluation of conflict-of-interest regulations.
2. Establish an executive branch office of ethics with adequate resources to address the problems of enforcement and compliance. The office should have the following responsibilities, among others:
 - Issuing uniform and clearly stated ethical standards of conduct and financial disclosure regulations as discussed in this report.

- Developing financial disclosure forms so that all relevant information is obtained concerning employee interests needed to enforce conflict-of-interest matters.
 - Making periodic audits of the effectiveness of agency financial disclosure systems on a sample basis to see that they include appropriate procedures for collecting and reviewing statements and followup procedures to preclude possible conflicts of interest.
 - Establishing a formal advisory service to render opinions on matters of ethical conduct so that all agencies are advised of such opinions.
 - Providing criteria for positions requiring financial disclosure statements.
 - Investigating and resolving ethical conduct matters unresolved at the agency level, including allegations against a Federal employee or officer.
 - Providing a continuing program of information and education for Federal officers and employees.
 - Administering the financial disclosure system for Presidential appointees under section 401 of Executive Order 11222.
 - Reporting annually to the President and the Congress on the effectiveness of the ethics program and recommending changes or additions to applicable laws as appropriate.
3. Amend Executive Order 11222 to clearly define the terms "conflict substantially" and "substantially affected" so that all parties have an understanding of what is meant by these terms.

4. Amend Executive Order 11222 to (a) require all employees designated to file to disclose the types of data discussed in chapter 4 of this report and (b) require the collection of information necessary to enforce agency conflict-of-interest laws and administrative prohibitions.

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ABBREVIATIONS

CSC	Civil Service Commission
FCC	Federal Communications Commission
GAO	General Accounting Office

CHAPTER 1

INTRODUCTION

This report is based on our reviews of the effectiveness of financial disclosure systems of 3 executive departments and 13 agencies. Our previous reports have highlighted the executive system's inability to avoid real or apparent conflict-of-interest problems and have recommended more extensive policy and enforcement mechanisms. The basic problem has been inadequate enforcement. The avoidance of conflict of interest is essential, however, if Americans are to regain their confidence in the integrity of the Federal Government.

FINANCIAL DISCLOSURE REQUIREMENTS WITHIN THE EXECUTIVE BRANCH

Disclosure of financial interests of executive branch officers and employees is governed by Executive Order 11222, criminal and civil statutes, and regulation issued by the Civil Service Commission (CSC) and the executive departments and agencies.

Executive Order 11222

In 1965 the President issued Executive Order 11222 prescribing standards of ethical conduct for Government officers and employees and requiring reporting of financial interests. The order delegated authority to CSC to make the system work. The President in signing the order said:

"Government personnel bear a special responsibility to be fair and impartial in their dealings with those who have business with the Government. We cannot tolerate conflicts of interest or favoritism--and it is our intention to see that this does not take place in the Federal Government."

The order replaced Executive Order 10939 issued in 1961 as a guide for Presidential appointees and members of the White House staff.

Executive Order 11222 sets forth:

- Government policy regarding employee ethical conduct.
- Standards concerning the acceptance of gifts, entertainment, and favors.

--Standards for special Government employees.

--Requirements for financial disclosure by executive branch personnel.

Key provisions of the order state that:

--"Employees may not (a) have direct or indirect financial interests that conflict substantially, or appear to conflict substantially, with their responsibilities and duties as Federal employees, or (b) engage in, directly or indirectly, financial transactions as a result of, or primarily relying upon, information obtained through their employment." (Section 203)

--"An employee shall not engage in any outside employment, including teaching, lecturing, or writing, which might result in a conflict, or apparent conflict, between the private interests of the employee and his official Government duties and responsibilities * * *."
(Section 202)

--"* * * no employee shall solicit or accept, directly or indirectly, any gift, gratuity, favor, entertainment, loan, or any other thing of monetary value, from any person, corporation, or group which

- (1) has, or is seeking to obtain, contractual or other business or financial relationships with his agency;
- (2) conducts operations or activities which are regulated by his agency; or
- (3) has interests which may be substantially affected by the performance or nonperformance of his official duty." (Section 201)

The order directed that each agency head, each Presidential appointee in the Executive Office who is not subordinate to the head of an agency; and each full-time member of a committee, board, or commission appointed by the President should file a statement of employment and financial interests with the Chairman, CSC. It directed CSC to establish a financial disclosure system for employees subordinate to agency heads, including special Government employees (consultants and advisers).

CSC was responsible for issuing an executive branch regulation implementing the order, approving and periodically reviewing supplementary agency regulations, and recommending such revisions to the order as may appear necessary to maintain high ethical standards. CSC was not given authority to audit and enforce implementation.

Regulations

In November 1965 CSC issued instructions (5 CFR 735) 1/ to agencies on the requirement for issuing regulations to govern the (1) ethical conduct of their employees and special Government employees, (2) establishment of standards of conduct for their employees concerning employee financial interests, and (3) establishment of a system for filing and reviewing employee financial disclosure statements.

Part 735 requires agency regulations to indicate the extent of permissible outside employment by their employees, designate the employees required to submit financial disclosure statements, determine allowable exemptions from the provisions on gifts, establish a review system for financial disclosure statements, and incorporate provisions of agency statutes that govern employee conduct. CSC must approve regulations established by each agency, and the agencies must submit them to the Federal Register for publication.

Since June 1967, CSC has required each agency head to obtain statements of outside employment and financial interests from:

- Employees paid at a level of the executive schedule in 5 U.S.C. 53(II).
- Employees classified at GS-13 or above who are in decisionmaking positions or have duties which could involve decisions or actions which have an economic impact on any nonfederal enterprise.

1/Members of the uniformed services are not covered under this regulation. Each agency having jurisdiction over members of the uniformed services is required to issue regulations consistent with the Executive order and this regulation. We have not reviewed the financial disclosure systems for uniformed members.

--Employees classified below GS-13 who occupy a position otherwise meeting the above criteria. (An agency must obtain CSC approval to require such an employee to file.)

--Special Government employees (experts and consultants).

CSC developed a model financial disclosure form (see app. IV) on which employees were to list their outside employment, financial interests, creditors, and interests in real property on June 30 each year. Not required is the amount of financial interest or indebtedness or the value of real property. Agency regulations may require additional information as determined appropriate by the agency head. An agency statement may not, however, include any questions that go beyond, or require more detailed answers than, those included on CSC's formats, without CSC approval.

The model format for special Government employees requires the disclosure of the number of days worked annually with each Government agency, their current Federal and non-federal positions, and their financial interests.

Statements must be filed no later than 30 days after entrance on duty and updated annually. Interests of a spouse, minor child, or other member (blood relation) of an employee's immediate household are considered interests of the employee. All statements submitted are confidential; an agency is not permitted to disclose information from a statement except as the Chairman, CSC, or the agency head may determine for good cause shown.

The Commission requires that each agency head make a top-ranking employee responsible for coordinating counseling services of deputy counselors. The counselor is responsible for all regulations relating to employee conduct, including the financial disclosure system. Each agency must design its financial disclosure system so that it is effective in disclosing conflicts or apparent conflicts of interest. Where conflicts or apparent conflicts of interest are disclosed, remedial action--including divestiture of the financial interest, change in assigned duties, disqualification, or disciplinary action--can be taken by the agency involved.

Statutory prohibitions

Prohibitions affecting Government employees' financial interests and outside employment are included in certain sections of title 18 of the United States Code and in various statutes affecting individual agencies and departments.

The most relevant provision of title 18 affecting the personal financial interests of Federal employees is section 208, a criminal statute. It requires employees to refrain from participating personally and substantially in their governmental capacity in any matter in which they, their spouses, minor children, or outside business associates have a financial interest. A waiver may be granted from the prohibitions in this section when the financial interest is judged " * * * not so substantial as to be deemed likely to affect the integrity of the employee's services." Financial interests may also be exempted as too remote or inconsequential by a general regulation published in the Federal Register.

Statutory restrictions are imposed on employees of many Federal departments and agencies. For example, the Federal Communications Act of 1934 (47 U.S.C. 154(b)), states:

" * * * No member of the Commission or person in its employ shall be financially interested in the manufacture or sale of radio apparatus or of apparatus for wire or radio communication; in communication by wire or radio or in radio transmission of energy; in any company furnishing services or such apparatus to any company engaged in communication by wire or radio or to any company manufacturing or selling apparatus used for communication by wire or radio; or in any company owning stocks, bonds, or other securities of any such company; nor be in the employ of or hold any official relation to any person subject to any of the provisions of the Act, nor own stocks, bonds or other securities of any corporation subject to any of the provisions of this Act * * *."

Statutory restrictions are imposed on employees of the Bureau of Land Management, Geological Survey, and Bureau of Mines.

--43 U.S.C. 11 states that:

"The officers, clerks, and employees in the Bureau of Land Management are prohibited from directly or indirectly purchasing or becoming interested in the purchase of any of the public land; and any person who violates this section shall forthwith be removed from his office."

--43 U.S.C 31 states that:

"The Director and members of the Geological Survey shall have no personal or private interests in the lands or mineral wealth of the region under survey, and shall execute no surveys or examinations for private parties or corporations."

--30 U.S.C 6 states that:

"* * * neither the director nor any members of the Bureau of Mines shall have any personal or private interest in any mine or the products of any mine under investigation."

Other agencies we reviewed, which are subject to specific statutory prohibitions, include:

Federal Maritime Commission
Civil Aeronautics Board
Inter-American Foundation
U.S. Railway Association
Tennessee Valley Authority
Department of Agriculture

CHAPTER 2

PROBLEMS WITH AGENCY FINANCIAL

DISCLOSURE SYSTEMS

Problems in agencies' financial disclosure systems for employees arose because of the low priority assigned to the systems in terms of staffing, funding, and agency and executive branch support. In most agencies, ethics counselors and deputy counselors had full-time responsibilities in addition to their ethics duties. Too frequently, the program, from implementation to operation, was being handled casually and on an ad hoc basis.

The effect of these deficiencies became apparent in our reviews of financial disclosure statements in 3 departments and 13 agencies. We found that

- 10 percent (735 of 7,193) of the financial disclosure statements required to be filed were not filed and
- 12 percent (793 of 6,458) of the financial disclosure statements filed disclosed interests that were questionable in light of the employees' duties.

Our sample reviews of positions with no requirement for filing statements showed that over 2,500 employees should have been filing statements based on their duties and responsibilities.

Areas in which agency systems must be improved are

- policy and criteria tailored to agency responsibilities;
- procedures with adequate criteria for collecting, reviewing, and controlling disclosure statements;
- procedures for monitoring; and
- methods for creating employee awareness.

NEED FOR FURTHER DEVELOPMENT OF AGENCY POLICY AND CRITERIA

Federal agencies, in developing their standard-of-conduct regulations, usually adopted CSC's guidelines. Very few agencies developed their own policies and supporting procedures.

Lack of definitive agency regulations results in employees not knowing specifically what creates a conflict or appearance of a conflict of interest for them in light of their daily responsibilities. It also creates difficulties for officials reviewing disclosure statements when they, too, have no practical guidelines as to what creates a conflict for the agency. The result is inconsistent judgments and an inadequate review of employee interests.

Statutory prohibitions

The need for clearly stated regulations is highlighted by the diversity and complexity of situations and restrictions found in the United States Code, the Executive order, and in agency statutes.

Certain agencies or bureaus in large departments which are involved in regulating, monitoring, or researching a particular industry have statutory restrictions that prohibit employee ownership of interests. Most of these restrictions precede the financial disclosure system in the executive branch.

The effect these prohibitions have in preventing conflicts of interests lies chiefly in the fact that it gives an agency certain criteria as to the type of interests which should be prohibited. These prohibitions have not had their maximum impact, however, because of

- lack of, or inadequate, interpretation by agencies,
- overly broad scope of the prohibition leading to narrow interpretation, and
- the prohibitions not applying to the employee's spouse, minor children, or members of the immediate household.

Some agencies have not analyzed these prohibitions for use in their financial disclosure system. Employees, as a result, do not know what is specifically prohibited by law and the interests they should avoid. For example, 43 U.S.C. 31, states that:

"The Director and members of the Geological Survey shall have no personal or private interests in the lands or mineral wealth of the region under survey, and shall execute no surveys or examinations for private parties or corporations."

Although this statute dates back to 1879, the Department of the Interior had made no reasonable, workable interpretation of this law until 1975, after we found that 49 employees had financial interests which appeared to violate either the statute or agency regulations.

The Department of Agriculture had not adequately interpreted its particular statutory prohibitions (18 U.S.C. 1903). It had not even identified the specific employees affected, and reviewing officials were unable to apply the restrictions when analyzing employees' financial interests.

Other agencies, such as the Federal Communications Commission (FCC), have broad statutory prohibitions (47 U.S.C. 154(b)) that appear to prohibit more financial interests than necessary. A literal reading of the prohibition would appear to prohibit employees even from having an interest in Sears Roebuck and Company because the company sells radios. FCC interpreted the prohibition as applying to financial interests in enterprises whose activities are significantly regulated by it. While we agree in principle with FCC on this issue, clarifying legislation appears desirable.

Some of the statutory prohibitions apply only to officers and employees of the agency and have not been extended to an employee's spouse, minor children, or members of the immediate household as does 18 U.S.C. 208 and Executive Order 11222. As a result, an interest which would be prohibited by a statute, if held by an employee, may be held by the spouse if the agency grants a waiver under the substantiality provisions of 18 U.S.C. 208(b).

At FCC, we found that 34 employees reported 57 interests in companies which would have been prohibited by statute if held by the employee. However, divestiture of these interests was not required since the interests were in the name of a spouse, minor child, or immediate household member. Some of these interests were originally in the employees' names and, to meet FCC regulations, were transferred to a spouse, minor child, or immediate household member. Seven of these 34 employees reported 11 interests which appeared to conflict with their duties, but they were granted a waiver under 18 U.S.C. 208(b) to hold the interests.

The Civil Aeronautics Board's statutory prohibition (49 U.S.C. 1321(b)) states that, "No member of the board shall have any pecuniary interest in or own stock or bonds in any civil aeronautics enterprise." The Board has extended

this prohibition, by administrative regulation, to all employees. On the other hand, the Federal Aviation Administration currently has no statutory prohibition, or even an administrative regulation, against interests in civil aeronautics enterprises, although it regulates basically the same industry. Our review at the Administration disclosed 100 employees holding airline or airline-related interests.

In some agencies the financial disclosure form is the only enforcement mechanism used in determining whether employees are adhering to the prohibitions. The U.S. Geological Survey and other bureaus in the Department of the Interior require all employees to certify annually that they hold no interests prohibited by its statutory prohibitions. In certain other agencies, however, employees who are subject to statutory prohibitions are not required to certify annually that they hold no prohibited interests.

NEED FOR IMPROVED PROCEDURES
TO INSURE COLLECTION, REVIEW,
AND CONTROL OF STATEMENTS

Our reviews revealed weaknesses in the design and operation of disclosure systems that needed to be corrected. Areas needing improvement include

- criteria for determining who should file financial disclosure statements;
- timely collection and review of all statements;
- criteria for reviewing statements;
- dealing effectively with appearances of conflicts of interest;
- appointing only adequately trained and experienced personnel, knowledgeable of employees' duties and potential conflicts of interest, to counsel employees and review disclosure statements; and
- having persons permitted to retain their holdings disqualify themselves from duties and responsibilities associated with their financial holdings.

Collection

Our reviews showed that financial disclosure statements had not been filed by all employees required to file, and many statements were missing or filed late. Some agencies did not even know the number of employees required to file statements because lists were kept by types of positions and a record was not available on how many employees occupied these positions. At the Civil Aeronautics Board and the Federal Maritime Commission, very few or no statements were filed for several years.

Review

Many reviewing officers either did not have guidelines, or the guidelines were so general that determinations could not be made as to what was prohibited, what constituted a conflict, or how strict to be in expressing their judgments. Guidelines, in most cases, had not been developed for reviewing property interests, pension plans, and outside employment. Many reviewing officers questioned only holdings which aroused their interest, and many holdings were not reviewed or questioned.

A review of holdings is usually based on an employee's position description. In many cases, however, position descriptions were vague and outdated. Reviewing officers did not develop or use lists of contracts, loans, grants, leases, or regulated companies and did not use standard reference materials in their reviews. Such materials are invaluable in determining potential conflicts of interest. We found some employees held potentially conflicting interests for several years.

Some Federal agencies have decentralized review processes. In one agency as many as 60 officials throughout the Nation were reviewing employee statements. A decentralized review process is valuable in that the review takes place closer to the employee's actual duty station, but without uniform and formalized guidelines, criteria used and judgments made will vary.

There are many gray areas as to what constitutes a conflict or an appearance of a conflict. Guidelines for making these determinations must be given to review officials. For example, after our review the Department of the Interior developed a manual of techniques for reviewing statements, including guidelines for reviewing securities, property interests, and outside employment.

Many reviewing officers were not trained, and their duties as ethics counselors or reviewers were usually in addition to their full-time responsibilities. In some agencies, first-line reviewing officials were personnel employees removed from the main agency operations. Thus, they were not familiar with employees' duties or with companies that employees conducted official business with.

Resolution of potential conflicts

In several agencies, officials' actions to resolve questionable holdings once identified by a reviewer often were not timely. It was not unusual to find employees who submitted a statement in June have their holdings questioned, with a year elapsing before the statement was reviewed by higher officials, including the General Counsel, and the employee was notified of the results. In some instances, final action was delayed indefinitely because some agencies were reluctant to enforce employee divestiture.

Most agencies do not have procedures for reviewing system effectiveness and monitoring employee divestiture or disqualification of potentially conflicting interests. Procedures needed would include

- signing and dating statements to indicate that they have been reviewed and that no conflicts exist,
- written reports from reviewing officials to the ethics counselor concerning their annual review of statements, and
- internal audit of the financial disclosure system.

To minimize the possibility of actual or apparent conflicts of interest, agencies at times require individuals to disqualify themselves from participating in a decision or action involving a company in which the individuals have an interest. Most agencies continue to alert these employees each year to the fact that certain companies in which they have an interest could have official business with their agency and they should disqualify themselves from any participation in any decisions or actions involving these firms. At the Export-Import Bank, we found instances where employees failed to disqualify themselves from participation.

Federal agencies had very few controls to assure top management that disqualification or divestiture occurred.

After discussing this matter with the Energy Research and Development Administration officials, they now require all reviewing officials to (1) advise employees and counselors in writing of any necessary remedial action, including disqualification from a particular assignment; (2) have an employee report when remedial action for which the employee is responsible, such as divestment of interest is completed; and (3) establish a means for monitoring the observation of remedial action.

Top management should also obtain periodic reports of the numbers and cases of employees being disqualified to determine if disqualifications are affecting either agency or employee productivity, and whether actions other than disqualification should be considered to minimize possible conflicts.

EMPLOYEE AWARENESS

Agencies now give employees copies of their standards of conduct and remind them annually that they are required to file disclosure statements. Much of the information provided, however, is inadequately explained, voluminous, legally oriented, and not packaged to arouse employee interest.

Federal agencies should explore various means of creating a stronger ethical awareness among employees through the use of descriptive pamphlets, increased recognition of ethics counselors, examples of interests to be avoided, and discussions of ethical standards and financial disclosure requirements in agency training courses.

AGENCIES' REACTIONS TO OUR REPORTS

Many agencies have responded positively to our recommendations. Specifically:

- The Department of the Interior required divestiture of conflicting interests and assigned a task force that (1) reviewed the effectiveness of the systems in all of its bureaus, (2) rewrote their regulations, (3) required over 4,000 more employees to file statements, and (4) issued detailed review guidelines to reviewing officers.
- The Federal Maritime Commission, because of its statutory prohibition against ownership of certain maritime interests, has required all employees to file financial disclosure statements and has also taken other corrective actions.

- The Department of Commerce, upon receipt of our report, established a departmental task group to consider how best to implement our recommendations and develop proposals or changes. The Department felt our review was both timely and beneficial.
- The Department of Transportation, in response to our report on the Federal Aviation Administration, eliminated the de minimis exemption of \$5,000. As a result, employees required to file statements are responsible for reporting all holdings which might lead to a conflict of interest. Other actions taken included requiring periodic reviews and updatings of the list of employees required to file statements.

CONCLUSIONS

Our reviews revealed many weaknesses in agency disclosure systems stemming primarily from the low priority given to agency standards of conduct and financial disclosure systems. Many employees were unaware of the requirements, and, unknowingly, found themselves in possible conflict-of-interest situations, with the result that their credibility, and that of their agency, was questioned.

CHAPTER 3

NEED FOR AN EXECUTIVE BRANCH

OFFICE OF ETHICS

Affirmative action must be taken to correct deficiencies in agency disclosure systems reported by us, public interest groups, and the news media over the past few years. We believe the executive branch ethics and financial disclosure program can no longer be managed by the Civil Service Commission on an ad hoc basis with limited support and insufficient resources.

An executive branch office of ethics is needed if the objective of Executive Order 11222--the maintenance of the highest standards of ethical conduct--is to be met. The actions needed to achieve this objective are many and varied and will require the continual efforts of a full-time staff to manage and direct the program. This office would require strong Presidential support, adequate staffing and funding, enforcement authority, and a clear charter of the agency's mission and responsibilities.

CSC ACTIONS CONCERNING EXECUTIVE ORDER 11222

The Executive order gave CSC the responsibility for recommending revisions in the order as may appear necessary to guarantee the maintenance of high ethical standards. However, CSC has rarely exercised this responsibility and has made no formal recommendations to the President for improving the system.

CSC's resources and efforts under the order have been minimal prior to 1975. In January 1974, GAO issued its first report on a financial disclosure system. In January 1975, CSC appointed a full-time attorney as ethics counselor to deal with its responsibilities.

CSC's efforts, since the order was issued, follow:

1. In November 1965 a regulation was issued implementing the order and instructing agencies on how to establish a financial disclosure system for employees in grades GS-16 and above.

2. In June 1967, CSC required agencies to obtain financial disclosure statements from certain employees in positions as low as the GS-13 level and below that level subject to CSC approval.
3. In July 1974, following our report on financial disclosure system deficiencies at the Federal Power Commission, CSC sent a questionnaire to agency ethics counselors requesting statistical data on agency disclosure systems.
4. In January 1975, CSC appointed a full-time ethics counselor.
5. In June 1975, CSC in response to its own investigations and our report on the U.S. Geological Survey's disclosure system, directed agencies to implement the following procedures. The CSC ethics counselor assumed that each agency was complying with these directives, unless advised to the contrary.

--Officers and employees required to file supplementary statements must be apprised in writing of this requirement, with a copy of the confidential statement. A letter to this effect should be sent on or about June 15 of each year instructing that the statement be returned after July 1 but not later than July 31. The statement should cover the employment and financial interests of the employee as of June 30.

--A checkoff list must be established to insure that all statements have been returned no later than July 31.

--The statements must be reviewed by August 31 and any real or potential conflicts of interest must be resolved as soon after August 31 as possible, but no later than September 30.

--Approval of each supplementary statement must be shown affirmatively by initialing an O.K. or other symbol of approval and the date.

--If the review has been delegated to deputy ethics counselors, regional directors, or others, the ethics counselor must maintain responsible control for the program. This does not require the review

of each statement, but the counselor must make sure that the steps outlined above have been completed. The reviewing official should submit, at a minimum, a statistical report containing the number of statements required, the number received, and the results of the review--such as the number approved and those awaiting final resolution. A brief presentation of the problem and its handling should be stated for those awaiting final resolution. The report must be made by September 15.

--If there are other officials reviewing confidential statements, they must be instructed as to the purpose of the statement, what they should look for in it, the use of financial reports (such as Standard & Poor's), and related matters.

6. In November 1975, a 2-day conference of agency ethics counselors was convened to discuss ethical matters, including financial disclosure, gifts and travel, and outside employment. The workshops on these subject areas developed recommendations for CSC's action. The main focus of these recommendations was a need for further guidance from CSC through advisory opinions.
7. In July 1976, a memorandum, "Ethics in Action," was issued to all agency ethics counselors. (See app. II.)
8. In September 1976, a 3-day ethics conference similar to the 1975 conference was held.

As a result of the memorandum and meetings, CSC believes a close liaison has been established with the agencies, and the role of the agency ethics counselor was highlighted and made more meaningful.

RESPONSIBILITIES OF AN OFFICE OF ETHICS

We believe an office of ethics should be established as an independent office or as part of the Executive Office of the President, the Office of Management and Budget, or the Civil Service Commission. This office should, at a minimum, be responsible for:

- Issuing clear ethical standards of conduct and financial disclosure regulations.

- Operating a formal advisory service to render opinions on matters of ethical conduct and making certain that such advisory opinions are disseminated to all other agencies.
- Developing financial disclosure forms to obtain all relevant information needed concerning employee interests.
- Conducting periodic audits of the effectiveness of agency financial disclosure systems and receiving annual reports from agencies concerning their systems.
- Providing a continuing program of information and education for Federal officers and employees.
- Managing the financial disclosure system for Presidential appointees under section 403 of Executive Order 11222.
- Making annual reports to the President and the Congress on the effectiveness of the ethics program and recommending changes or additions to applicable laws as necessary.

NEED FOR EFFECTIVE AND ENFORCEABLE REGULATIONS AND STANDARDS

Although CSC provided guidelines for establishing agency codes of conduct, the guidelines did not adequately discuss the objectives of a financial disclosure system, nor did they specifically define the procedures of operating such a system. There was little or no discussion as to:

- The specific types of interests to be prohibited.
- What constitutes a conflict of interest or an appearance of one.
- Criteria to determine when an interest is substantial.
- Procedures for reviewing stocks, bonds, pension plans, real estate, and other financial interests.

A full discussion of these matters, a booklet of review guidelines, and seminars for agency ethics counselors would have at least educated ethics counselors, and subsequently agency employees, in the approaches to and objectives of the system. This could have produced more effective agency disclosure systems.

Consequently, agency ethics counselors have had difficulties in establishing employee codes of conduct and specific policies, guidelines, and procedures for the agency disclosure system. Four main areas raised by ethics counselors relating to CSC's implementing guidelines are:

- Lack of clear guidelines as to who should be required to file disclosure statements.
- Requirement that agencies obtain CSC approval before requiring positions below GS-13 to file statements.
- Lack of criteria and definition as to what creates a substantial conflict of interest or the appearance of one.
- Lack of continuing guidance from CSC as an advisory service.

More specific criteria needed for identifying employees who should file

According to CSC regulations, agencies must obtain financial disclosure statements from employees in grades GS-13 and above who are in positions which

"* * * require the incumbent to exercise judgment in making a Government decision or in taking Government action on contracting or procurement, administering or monitoring grants or subsidies, regulating or auditing private or non-Federal enterprise, or other activities when the decision or action has an economic impact on the interests of any non-Federal enterprise."

All officials classified at the executive level schedule are also required to file statements. CSC approval is needed before the agency can require employees below GS-13 to file statements.

We found a great variance among agencies as to the levels of responsibility of positions which file statements. For example, the Civil Aeronautics Board for many years required few employees below the GS-16 level to file statements. The Food and Drug Administration requires certain positions from GS-5 level and above to file statements.

Because CSC required agencies to obtain prior approval as a result of privacy considerations, some agencies did not require anyone below GS-13 to file statements. Some agencies who requested CSC approval were denied on the basis of CSC's regulations and, as a result, no longer review any positions below GS-13.

The Department of the Interior each year asked its bureaus to determine which positions should file statements but gave no guidelines for determining who should file. Agency officials had no procedures for examining positions and usually required only GS-13 positions and above to file statements. Our review of approximately 3,000 positions showed that over 1,400 of these positions (100 below GS-13) should be filing statements. In response to our recommendations, the Department developed systematic procedures for determining positions which should file. As a result, it required over 4,000 additional positions to file, including 1,300 mining inspectors in grades GS-11 and above who had the authority to halt private industry mining operations. The Department consequently found that employees in one bureau owned over 500 financial interests which were prohibited by agency regulations and ordered the divestiture of these interests.

Ethics counselors have requested CSC to approve agency positions below GS-13 or consider dropping the requirement for such approval. However, some agencies believe that positions below GS-13 are unlikely to be involved in conflict-of-interest situations because the degree of supervision over their work protects the Government's integrity. Our reviews disclosed that many important decisions, studies, recommendations, contract clauses, etc. are initiated by staff members at levels below GS-13. It is unlikely that the integrity of these decisions can be completely protected through higher level supervision. Higher level supervisors may see only what is brought to their attention, whereas the most serious effect of a conflict of interest might be an omission of important information.

We do not believe agencies should be required to obtain prior approval before requiring employees below GS-13 to file statements. Agencies should be allowed to determine what agency positions should be required to file based on definitive criteria from an office of ethics. An office of ethics could monitor this phase of the financial disclosure system during periodic audits of agency systems to make sure that the agency has not abused this authority.

When is an interest substantial?

Executive Order 11222 prohibited only those interests that substantially conflict or appear to substantially conflict with an employee's official duties. Neither the order nor CSC regulations defined what is substantial. Acts by Federal employees which affect a personal financial interest are generally prohibited under 18 U.S.C. 208. An agency, however, may grant an employee an ad hoc exemption if the outside financial interest is deemed insubstantial in affecting the integrity of their services. Financial interests may also be exempted as too remote or inconsequential by a general regulation published in the Federal Register.

Agencies use different criteria in determining substantiality. These criteria include

- prohibiting any interest which conflicts or appears to conflict with an employee's duties regardless of amount;
- generally exempting any interest under a certain amount, such as \$5,000; and
- resolving each case on its own merits and circumstances.

In terms of credibility and appearance to the public, there is no stricter standard than prohibiting any interest which conflicts or appears to conflict with an employee's duties regardless of amount. Most of the statutory prohibitions passed by the Congress against employee ownership of certain interests state that no interests shall be held. However, 18 U.S.C. 208 does not prohibit interests that are judged not so substantial as to be deemed likely to affect the integrity of the employee's services.

The General Services Administration, Nuclear Regulatory Commission, and others have used the exemption clause of 18 U.S.C. 208 by publishing in the Federal Register a statement that no conflict of interest can be construed to exist if the amount of the interest is below a certain amount, such as \$5,000, and/or does not exceed 1 percent of the outstanding stock issued by a company. Some agencies do not require employees to list any interests on their disclosure forms less than this amount. Others, such as the Energy Research and Development Administration, require employees to disclose whether an interest is more or less than the \$5,000 level.

Under a \$5,000 rule, an employee could own shares of stock in 20 different companies in the same industry. Each stock could have a value of \$4,900, resulting in employee holdings of \$98,000 and not constitute a conflict of interest. Although the \$5,000 rule is an attempt to define substantiality, an employee may have a total interest that is substantial and would be open to allegations of impropriety. A \$5,000 interest is substantial to the majority of Americans, who generally do not have \$5,000 interests and whose annual income averages \$13,000 or less.

The third alternative is to judge each case individually on its own circumstances and merits. This approach is probably the most reasonable but is also the most difficult to administer. The agency is open to criticism that individual cases are not being treated consistently because of grade differences, wealth, or official pressure. It relies on individual subjective judgments as to what is substantial, and different review officials may make inconsistent judgments concerning employee interests.

We believe the terms "conflict substantially" and "substantially affected" should be clearly defined so that all parties have an understanding of what is meant by these terms.

NEED FOR A FORMAL ADVISORY SERVICE

CSC implementing regulations require that each agency set up an interpretation and advisory service for employees through the ethics counselor. The service could be used whenever questions arise on the applicable requirements and restrictions to individual situations in conflict-of-interest matters. CSC advises agencies on problems of definition or interpretation as they arise. However, in most instances the CSC rulings have been unwritten and unpublished and, except for the agency or person involved, have not benefited other agencies having similar problems or questions.

A key recommendation of the 1975 conference of agency ethics counselors sponsored by CSC stated:

"We recommend that the Civil Service Commission extend the advisory service which it provides to ethics counselors by periodically publishing the opinions and guidance which it has provided in selected individual cases. This need not be an

elaborate or burdensome undertaking, but a simple multiple letter which would prove instructive and promote uniformity of treatment in similar cases."

Agency ethics counselors believed that much more guidance should come from CSC, not in the form of new regulations, but in the form of guidelines and advisory opinions based on precedent. CSC has the material on case studies and advisory opinions to issue, but staffing and funding have not been available to perform these tasks and CSC was uncertain as to its jurisdiction. Discussions with Department of Justice representatives disclosed that Justice could also issue its opinions and rulings on conflicts of interest under chapter 11 of title 18.

We believe a formal advisory service, a key element in most State government systems, would lead to more consistent advice and interpretation and the establishment of a body of knowledge which would benefit all agencies. Such an advisory service should also periodically report to the agencies on

- interpretations of law, Executive Order 11222, and regulations;
- case studies of agency ethical situations, sanitized to hide identities;
- CSC, Justice Department, and agency determinations; and
- effective management procedures that other agencies could adopt.

On May 18, 1976, CSC issued a memorandum, "Ethics in Action," to all agency ethics counselors. (See app. II.) This memorandum defined certain terms in the Executive order, such as spouse, blood relative, and minor child; discussed gifts and reimbursement for travel; and reiterated the requirements placed on agencies in June 1975 for the annual review and processing of financial disclosure statements.

We believe CSC's new memorandum was a positive step; however, it is not a substitute for a formal advisory service.

NEED FOR PERIODIC AUDIT AND EVALUATION OF AGENCY DISCLOSURE SYSTEMS

The Executive order did not effectively deal with the question of enforcement of its provisions. It gave CSC a

coordinating function, but left the individual agencies primary responsibility for establishing and enforcing the program. Under the order, CSC has the responsibility to review agency regulations from time to time for conformance with the order and to recommend to the President any necessary changes. CSC was not given express authority to audit and enforce implementation.

The mere review and approval of agency regulations is not enough to make certain that agency regulations are effective and being implemented. Even agency regulations approved by CSC have varied. Without knowing the ethical problems and functions of an agency, it is not possible to know if the regulations adopted by each agency meet the ethical situations which agency employees encounter.

We believe an office of ethics should conduct periodic audits of agency systems to determine their effectiveness. Such an office should require agencies to report annually on the effectiveness of their disclosure systems and on other ethical problems they may be encountering. This office should also be given the express authority to force strong ethical standards on Federal agencies and to take action when it finds deficiencies in agency disclosure systems.

GREATER ENFORCEMENT
AUTHORITY NEEDED

Executive Order does not give CSC the authority to investigate, discipline, or otherwise enforce the standards set out in the order as they apply to individual employee cases of ethical misconduct. CSC currently can only ask the agency to investigate and advise CSC of the findings if requested.

While each agency is responsible for its own ethical conduct and financial disclosure system, we believe an office of ethics should have responsibility and enforcement authority to insist that the highest ethical standards are maintained. If the office of ethics finds that agencies have not adequately enforced their standards of conduct or have not adequately resolved possible conflict-of-interest situations, the office should have the authority to intervene and enforce ethical standards in individual cases.

CONCLUSIONS

During the past 2 years, our reviews of agency disclosure systems have disclosed weaknesses due to a lack of definitive guidelines, continual audit, and strong management and enforcement by CSC. Such deficiencies could have been detected and corrected earlier if CSC had (1) given the ethics program a priority; (2) established a system of data collection, verification, and followup to guarantee agency compliance with the Executive order; and (3) studied the overall disclosure system to determine necessary changes.

The effectiveness of the executive branch financial disclosure system depends heavily on strong administration and enforcement by a central office. Strong leadership is needed if individual agency disclosure systems are to be effective and consistent and high ethical standards are to be maintained. We believe an office of ethics can provide the management and direction of an ethics program and carry out the functions discussed in this report necessary for a sound disclosure system.

CHAPTER 4

MORE COMPLETE DISCLOSURE

OF FINANCIAL INTERESTS

Financial disclosure reporting should require complete disclosure of personal financial interests in those areas in which conflicts of interest might arise with an employee's official duties and for which a compelling need can be shown. Since each agency's mission is unique, diverse types of information are required by each agency to monitor conflict-of-interest situations. The information currently being requested on disclosure statements is insufficient to make conflict-of-interest determinations.

INFORMATION CURRENTLY REQUIRED TO BE DISCLOSED

Executive Order 11222 prescribes three areas of personal financial data which must be disclosed. These are:

"* * * the names of all corporations, companies, firms, or other business enterprises, partnerships, nonprofit organizations or other institutions

"(a) with which he is connected as an employee, officer, owner, director, trustee, partner, adviser, or consultant; or

"(b) in which he has any continuing financial interests, through a pension or retirement plan, shared income, or otherwise, as a result of any current or prior employment or business or professional association; or

"(c) in which he has any financial interest through the ownership of stocks, bonds, or other securities.

"a list of names of his creditors, other than those to whom he may be indebted by reason of a mortgage on property which he occupies as a personal residence or to whom he may be indebted for current and ordinary household and living expenses.

"a list of his interests in real property or rights in lands, other than property which he occupies as a personal residence."

The interests of a spouse, minor child, or other member of the employee's immediate household are considered interests of the employee. If any information required to be included in a statement is not known to the employee, but is known to other persons, the person concerned must request such other persons to submit the required information on the employee's behalf.

OTHER INFORMATION
SHOULD BE DISCLOSED

Although the disclosure required by Executive Order 11222 is all encompassing, the personal financial information being disclosed in practice by employees is minimal. We believe that certain other more detailed information, as set forth below, should be required to be disclosed by all Federal employees and officials from whom disclosure statements are required. Also, the interests reported are only those held on June 30 of each year. In some instances, reviewing officials may not question certain interests because the brief data reported shows no potential conflict of interest.

Based on our experience of reviewing agency statements, we believe Federal employees should be required to disclose:

1. Sources of income (other than from Federal Government)-- name, address, and nature of the business; services rendered for income; and amount.
2. Gifts, honorariums, and travel reimbursements (other than from Federal Government)--source, value, and date of receipt of (a) all gifts other than from relatives; (b) honorariums; and (c) reimbursements for transportation, lodging, food, or entertainment.
3. Ownership of securities, bonds, patent rights, and commodities' futures--name, address, and nature of the business or commodity; dates of acquisition and divestiture; and value.
4. Organizational relationships--name, address, and nature of business or entity with which connected (as an employee, officer, owner, director, member, trustee, partner, or adviser or through a pension plan, shared income, severance payments, agreement for future employment, or other arrangement).
5. Liabilities (other than ordinary household expenses)--name, address, and nature of the business to which you are liable; date liability was assumed; and amount.

6. Real property--address or legal description of property location other than that which is occupied as a personal residence, purpose for which property is used, date of acquisition or divestiture, and approximate market value.

Employees should also disclose whether the financial interest belongs to them, their spouses, or their dependent children. The value of the interests should be disclosed in categorical amounts as follows:

- a. less than \$100
- b. less than \$1,000
- c. greater than \$1,000, but less than \$5,000
- d. greater than \$5,000, but less than \$15,000
- e. greater than \$15,000, but less than \$50,000
- f. greater than \$50,000, but less than \$100,000
- g. over \$100,000.

As the responsibilities of the Federal agencies are diverse, so too are the needs for various types of financial information from their employees. The Department of the Interior may need more information about property interests, but the Securities and Exchange Commission's primary interest may be ownership of securities. Other agencies may have unique needs, such as the Smithsonian Institution's possible need for information on personal art collections. Many agencies also have statutory prohibitions against the ownership of certain interests and would have to obtain certain information to enforce such prohibitions. The financial disclosure form must meet the needs of each agency without unduly burdening the employee by requiring information of little use to the agency.

Agencies should determine their own additional data needs and request approval from an office of ethics to require such data on the disclosure form. Also in its periodic audits of agency systems, the office of ethics should review the types of data being required from employees to determine its usefulness to the agency and whether other information should be requested.

CONCLUSIONS

We believe the current disclosure requirement of Executive Order 11222 is not sufficiently specific--other areas of information and greater detail of areas already disclosed should be made by all Federal officers and employees designated to file. Individual agencies have a compelling need to require disclosure of other financial interests to prevent their employees from being involved in conflict-of-interest situations peculiar to the mission of the individual agency.

CHAPTER 5

OVERALL CONCLUSIONS AND RECOMMENDATIONS

CONCLUSIONS

Basic changes are needed in the executive branch financial disclosure system. Agency officials have not given the priority attention needed to make their disclosure systems effective. The lack of effective administration and enforcement has resulted in the development of regulations and procedures that do not properly identify or resolve potential and apparent conflict-of-interest situations.

We found a number of procedural and enforcement deficiencies in all agencies reviewed. Among these were:

- Ineffective procedures and inadequate criteria for reviewing financial disclosure statements. (As a result, agency personnel failed to identify and act on numerous employee financial holdings that might have been conflicts of interest.)
- Inadequate criteria to determine which employees should file financial disclosure statements. (Consequently, incumbents of many positions were not required to file statements, but their duties and responsibilities indicated that they should have.)
- Inadequate procedures for collecting, processing, and controlling financial disclosure statements. (This resulted in agency uncertainty as to how many statements were actually filed, failure of employees to promptly submit statements, no annual or supplementary statements available for the past years, and failure to update lists of positions whose incumbents are required to file statements.)

We believe an office of ethics should be established, either as an independent agency or within another agency, and given resources and strong administrative and enforcement authority to carry out the multiplicity of responsibilities inherent in operating a sound financial disclosure system. Some of these responsibilities, which were not expressly stated in Executive Order 11222, have been discussed in this report.

Based on our experience in reviewing financial disclosure statements, we believe that agencies must obtain more information from their employees if they are to avoid the appearances of conflicts of interest.

RECOMMENDATIONS

We recommend that the President of the United States:

1. Issue a clear statement to the heads of all executive departments and agencies setting forth a firm commitment to the highest standards of ethical conduct. Such a statement should indicate the need for (a) each agency to promulgate ethics regulations that include compliance with regulations and laws applying to the functions and activities of the agency and (b) more stringent enforcement and evaluation of conflict-of-interest regulations.
2. Establish an executive branch office of ethics with adequate resources to address the problems of enforcement and compliance. The office should have the following responsibilities, among others:
 - Issuing uniform and clearly stated ethical standards of conduct and financial disclosure regulations as discussed in this report.
 - Developing financial disclosure forms so that all relevant information is obtained concerning employee interests needed to enforce conflict-of-interest matters.
 - Making periodic audits of the effectiveness of agency financial disclosure systems on a sample basis to see that they include appropriate procedures for collecting and reviewing statements and followup procedures to preclude possible conflicts of interest.
 - Establishing a formal advisory service to render opinions on matters of ethical conduct so that all agencies are advised of such opinions.
 - Providing criteria for positions requiring disclosure statements.

- Investigating and resolving ethical conduct matters unresolved at the agency level, including allegations against a Federal employee or officer.
 - Providing a continuing program of information and education for Federal officers and employees.
 - Administering the financial disclosure system for Presidential appointees under section 401 of Executive Order 11222.
 - Reporting annually to the President and the Congress on the effectiveness of the ethics program and recommending changes or additions to applicable laws as appropriate.
3. Amend Executive Order 11222 to clearly define the terms "conflict substantially" and "substantially affected" so that all parties have an understanding of what is meant by these terms.
 4. Amend Executive Order 11222 to (a) require all employees designated to file to disclose the types of data discussed in chapter 4 of this report and (b) require the collection of information necessary to enforce agency conflict-of-interest laws and administrative prohibitions.

CHAPTER 6

SCOPE OF REVIEW

We have reviewed the financial disclosure systems of 3 Federal departments and 13 agencies. (See app. III.) These systems were established under Executive Order 11222 of 1965.

Our reviews were made pursuant to requests from several Members of Congress. Their primary concerns were whether:

- Federal agencies had effective financial disclosure systems for revealing conflicts of interest.
- All required financial disclosure statements were filed promptly and properly.
- Financial statements were adequately reviewed and analyzed.
- Additional employees should be required to file financial disclosure statements.

This report discusses the effectiveness of the executive branch financial disclosure systems. We did not review the Civil Service Commission's financial disclosure system for Presidential appointees established by section 401 of Executive Order 11222 as part of this study. The Presidential appointees' system is currently being reviewed and will be the subject of a separate report.

During the course of this review, we analyzed the financial disclosure regulations of many agencies, held discussions with the ethics counselors of most large departments and agencies, and participated in ethics conferences held by CSC.

For comparison purposes, we also examined financial disclosure systems in the legislative and judicial branches and the systems in many State governments.

Executive Order 11222**PRESCRIBING STANDARDS OF ETHICAL CONDUCT FOR GOVERNMENT OFFICERS AND EMPLOYEES**

By virtue of the authority vested in me by Section 301 of Title 3 of the United States Code, and as President of the United States, it is hereby ordered as follows:

PART I—POLICY

SECTION 101. Where government is based on the consent of the governed, every citizen is entitled to have complete confidence in the integrity of his government. Each individual officer, employee, or adviser of government must help to earn and must honor that trust by his own integrity and conduct in all official actions.

PART II—STANDARDS OF CONDUCT

SECTION 201. (a) Except in accordance with regulations issued pursuant to subsection (b) of this section, no employee shall solicit or accept, directly or indirectly, any gift, gratuity, favor, entertainment, loan, or any other thing of monetary value, from any person, corporation, or group which—

(1) has, or is seeking to obtain, contractual or other business or financial relationships with his agency;

(2) conducts operations or activities which are regulated by his agency; or

(3) has interests which may be substantially affected by the performance or nonperformance of his official duty.

(b) Agency heads are authorized to issue regulations, coordinated and approved by the Civil Service Commission, implementing the provisions of subsection (a) of this section and to provide for such exceptions therein as may be necessary and appropriate in view of the nature of their agency's work and the duties and responsibilities of their employees. For example, it may be appropriate to provide exceptions (1) governing obvious family or personal relationships where the circumstances make it clear that it is those relationships rather than the business of the persons concerned which are the motivating factors—the clearest illustration being the parents, children or spouses of federal employees; (2) permitting acceptance of food and refreshments available in the ordinary course of a luncheon or dinner or other meeting or on inspection tours where an employee may properly be in attendance; or (3) permitting acceptance of loans from banks or other financial institutions on customary terms to finance proper and usual activities of employees, such as home mortgage loans. This section shall be effective upon issuance of such regulations.

(c) It is the intent of this section that employees avoid any action, whether or not specifically prohibited by subsection (a), which might result in, or create the appearance of—

(1) using public office for private gain;

(2) giving preferential treatment to any organization or person;

(3) impeding government efficiency or economy;

(4) losing complete independence or impartiality of action;

(5) making a government decision outside official channels; or

(6) affecting adversely the confidence of the public in the integrity of the Government.

Sec. 202. An employee shall not engage in any outside employment, including teaching, lecturing, or writing, which might result in a conflict, or an apparent conflict, between the private interests of the

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employee and his official government duties and responsibilities, although such teaching, lecturing, and writing by employees are generally to be encouraged so long as the laws, the provisions of this order, and Civil Service Commission and agency regulations covering conflict of interest and outside employment are observed.

SEC. 203. Employees may not (a) have direct or indirect financial interests that conflict substantially, or appear to conflict substantially, with their responsibilities and duties as Federal employees, or (b) engage in, directly or indirectly, financial transactions as a result of, or primarily relying upon, information obtained through their employment. Aside from these restrictions, employees are free to engage in lawful financial transactions to the same extent as private citizens. Agencies may, however, further restrict such transactions in the light of the special circumstances of their individual missions.

SEC. 204. An employee shall not use Federal property of any kind for other than officially approved activities. He must protect and conserve all Federal property, including equipment and supplies, entrusted or issued to him.

SEC. 205. An employee shall not directly or indirectly make use of, or permit others to make use of, for the purpose of furthering a private interest, official information not made available to the general public.

SEC. 206. An employee is expected to meet all just financial obligations, especially those—such as Federal, State, or local taxes—which are imposed by law.

PART III—STANDARDS OF ETHICAL CONDUCT FOR SPECIAL GOVERNMENT EMPLOYEES

SECTION 301. This part applies to all "special Government employees" as defined in Section 202 of Title 18 of the United States Code, who are employed in the Executive Branch.

SEC. 302. A consultant, adviser or other special Government employee must refrain from any use of his public office which is motivated by, or gives the appearance of being motivated by, the desire for private gain for himself or other persons, including particularly those with whom he has family, business, or financial ties.

SEC. 303. A consultant, adviser, or other special Government employee shall not use any inside information obtained as a result of his government service for private personal gain, either by direct action on his part or by counsel, recommendations or suggestions to others, including particularly those with whom he has family, business, or financial ties.

SEC. 304. An adviser, consultant, or other special Government employee shall not use his position in any way to coerce, or give the appearance of coercing, another person to provide any financial benefit to him or persons with whom he has family, business, or financial ties.

SEC. 305. An adviser, consultant, or other special Government employee shall not receive or solicit from persons having business with his agency anything of value as a gift, gratuity, loan or favor for himself or persons with whom he has family, business, or financial ties while employed by the government or in connection with his work with the government.

SEC. 306. Each agency shall, at the time of employment of a consultant, adviser, or other special Government employee require him to supply it with a statement of all other employment. The statement shall list the names of all the corporations, companies, firms, State or local governmental organizations, research organizations and educational or other institutions in which he is serving as employee, officer, member, owner, director, trustee, adviser, or consultant. In addition, it shall list such other financial information as the appointing department or agency shall decide is relevant in the light of the duties the appointee is to perform. The appointee may, but need not, be required to reveal precise amounts of investments. The statement shall be kept current throughout the period during which the employee is on the Government rolls.

PART IV—REPORTING OF FINANCIAL INTERESTS

SECTION 401. (a) Not later than ninety days after the date of this order, the head of each agency, each Presidential appointee in the Executive Office of the President who is not subordinate to the head of an agency in that Office, and each full-time member of a committee, board, or commission appointed by the President, shall submit to the Chairman of the Civil Service Commission a statement containing the following:

(1) A list of the names of all corporations, companies, firms, or other business enterprises, partnerships, nonprofit organizations, and educational or other institutions—

(A) with which he is connected as an employee, officer, owner, director, trustee, partner, adviser, or consultant; or

(B) in which he has any continuing financial interests, through a pension or retirement plan, shared income, or otherwise, as a result of any current or prior employment or business or professional association; or

(C) in which he has any financial interest through the ownership of stocks, bonds, or other securities.

(2) A list of the names of his creditors, other than those to whom he may be indebted by reason of a mortgage on property which he occupies as a personal residence or to whom he may be indebted for current and ordinary household and living expenses.

(3) A list of his interests in real property or rights in lands, other than property which he occupies as a personal residence.

(b) Each person who enters upon duty after the date of this order in an office or position as to which a statement is required by this section shall submit such statement not later than thirty days after the date of his entrance on duty.

(c) Each statement required by this section shall be kept up to date by submission of amended statements of any changes in, or additions to, the information required to be included in the original statement, on a quarterly basis.

Sec. 402. The Civil Service Commission shall prescribe regulations, not inconsistent with this part, to require the submission of statements of financial interests by such employees, subordinate to the heads of agencies, as the Commission may designate. The Commission shall prescribe the form and content of such statements and the time or times and places for such submission.

Sec. 403. (a) The interest of a spouse, minor child, or other member of his immediate household shall be considered to be an interest of a person required to submit a statement by or pursuant to this part.

(b) In the event any information required to be included in a statement required by or pursuant to this part is not known to the person required to submit such statement but is known to other persons, the person concerned shall request such other persons to submit the required information on his behalf.

(c) This part shall not be construed to require the submission of any information relating to any person's connection with, or interest in, any professional society or any charitable, religious, social, fraternal, educational, recreational, public service, civic, or political organization or any similar organization not conducted as a business enterprise and which is not engaged in the ownership or conduct of a business enterprise.

Sec. 404. The Chairman of the Civil Service Commission shall report to the President any information contained in statements required by Section 401 of this part which may indicate a conflict between the financial interests of the official concerned and the performance of his services for the Government. The Commission shall report, or by regulation require reporting, to the head of the agency concerned any information contained in statements submitted pursuant to regulations issued under Section 402 of this part which may indicate a conflict between the financial interests of the officer or employee concerned and the performance of his services for the Government.

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SEC. 405. The statements and amended statements required by or pursuant to this part shall be held in confidence, and no information as to the contents thereof shall be disclosed except as the Chairman of the Civil Service Commission or the head of the agency concerned may determine for good cause shown.

SEC. 406. The statements and amended statements required by or pursuant to this part shall be in addition to, and not in substitution for, or in derogation of, any similar requirement imposed by law, regulation, or order. The submission of a statement or amended statements required by or pursuant to this part shall not be deemed to permit any person to participate in any matter in which his participation is prohibited by law, regulation, or order.

PART V—DELEGATING AUTHORITY OF THE PRESIDENT UNDER SECTIONS 205 AND 208 OF TITLE 18 OF THE UNITED STATES CODE RELATING TO CONFLICTS OF INTEREST

SECTION 501. As used in this part, "department" means an executive department, "agency" means an independent agency or establishment or a Government corporation, and "head of an agency" means, in the case of an agency headed by more than one person, the chairman or comparable member of such agency.

SEC. 502. There is delegated, in accordance with and to the extent prescribed in Sections 503 and 504 of this part, the authority of the President under Sections 205 and 208(b) of Title 18, United States Code, to permit certain actions by an officer or employee of the Government, including a special Government employee, for appointment to whose position the President is responsible.

SEC. 503. Insofar as the authority of the President referred to in Section 502 extends to any appointee of the President subordinate to or subject to the chairmanship of the head of a department or agency, it is delegated to such department or agency head.

SEC. 504. Insofar as the authority of the President referred to in Section 502 extends to an appointee of the President who is within or attached to a department or agency for purposes of administration, it is delegated to the head of such department or agency.

SEC. 505. Notwithstanding any provision of the preceding sections of this part to the contrary, this part does not include a delegation of the authority of the President referred to in Section 502 insofar as it extends to:

- (a) The head of any department or agency in the Executive Branch;
- (b) Presidential appointees in the Executive Office of the President who are not subordinate to the head of an agency in that Office; and
- (c) Presidential appointees to committees, boards, commissions, or similar groups established by the President.

PART VI—PROVIDING FOR THE PERFORMANCE BY THE CIVIL SERVICE COMMISSION OF CERTAIN AUTHORITY VESTED IN THE PRESIDENT BY SECTION 1753 OF THE REVISED STATUTES

SECTION 601. The Civil Service Commission is designated and empowered to perform, without the approval, ratification, or other action of the President, so much of the authority vested in the President by Section 1753 of the Revised Statutes of the United States (5 U.S.C. 631) as relates to establishing regulations for the conduct of persons in the civil service.

SEC. 602. Regulations issued under the authority of Section 601 shall be consistent with the standards of ethical conduct provided elsewhere in this order.

PART VII—GENERAL PROVISIONS

SECTION 701. The Civil Service Commission is authorized and directed, in addition to responsibilities assigned elsewhere in this order:

- (a) To issue appropriate regulations and instructions implementing Parts II, III, and IV of this order;
- (b) To review agency regulations from time to time for conformance with this order; and

(c) To recommend to the President from time to time such revisions in this order as may appear necessary to ensure the maintenance of high ethical standards within the Executive Branch.

Sec. 702. Each agency head is hereby directed to supplement the standards provided by law, by this order, and by regulations of the Civil Service Commission with regulations of special applicability to the particular functions and activities of his agency. Each agency head is also directed to assure (1) the widest possible distribution of regulations issued pursuant to this section, and (2) the availability of counseling for those employees who request advice or interpretation.

Sec. 703. The following are hereby revoked:

- (a) Executive Order No. 10939 of May 5, 1961.
- (b) Executive Order No. 11125 of October 29, 1963.
- (c) Section 2(a) of Executive Order No. 10530 of May 13, 1954.
- (d) White House memorandum of July 20, 1961, on "Standards of Conduct for Civilian Employees."
- (e) The President's Memorandum of May 2, 1963, "Preventing Conflicts of Interest on the Part of Special Government Employees." The effective date of this revocation shall be the date of issuance by the Civil Service Commission of regulations under Section 701(a) of this order.

Sec. 704. All actions heretofore taken by the President or by his delegates in respect of the matters affected by this order and in force at the time of the issuance of this order, including any regulations prescribed or approved by the President or by his delegates in respect of such matters, shall, except as they may be inconsistent with the provisions of this order or terminate by operation of law, remain in effect until amended, modified, or revoked pursuant to the authority conferred by this order.

Sec. 705. As used in this order, and except as otherwise specifically provided herein, the term "agency" means any executive department, or any independent agency or any Government corporation; and the term "employee" means any officer or employee of an agency.

LYNDON B. JOHNSON

THE WHITE HOUSE,
May 8, 1965.

UNITED STATES GOVERNMENT

U.S. CIVIL SERVICE COMMISSION

Memorandum

Subject: Ethics in Action - Memorandum No. 1

Date: May 18, 1976

From: Carl P. Goodman *CPG*
General Counsel

In Reply Refer To:

GC:LEG 1

DR:ga

Your References:

To: Agency Ethics Counselors

At the Airlis Conference many of you urged our office to write to you periodically on ethics matters of common interest. We concur in this idea. We shall from time to time issue memoranda on Ethics in Action of which this is the first. For ready reference in the future, we shall number these memoranda in sequence.

You realize, of course, that definitive information concerning any of the matters discussed in this memorandum should continue to be sought by reference to the Commission's published regulations. In this connection, we have currently underway a review of the regulations and are hopeful that an up-dating of their contents can be promulgated in the near future.

I. Some Definitions

Recently an agency asked us about the meaning of some terms used in Executive Order 11222 and 5 CFR 735. The definitions we have furnished should be helpful and so we quote pertinent portions of our letter to the agency:

The Civil Service Commission's regulations after which yours are modelled should be construed in a broad sense. They prescribe standards of conduct which in some situations cannot be spelled out precisely as, for example, the concept of apparent conflicts of interest. Keeping this in mind, we

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proceed to define the following terms referred to in your letter of March 11, 1976:

1. Blood Relative - You have asked whether this term includes all persons related to the employee, even though the relationship may be that of a third cousin. The answer is that any person who is in the direct line of consanguinity with the employee and is a member of the immediate household of the employee must have his or her interest reported by the employee. See In re Gilchrist's Estate, 58 P. 2nd 431, 434 (Sup. Ct. Wyo. 1936), where it was stated that the term "blood relative" includes all those related by blood, no matter how far removed. Of course, while such an attenuated blood relationship may not of itself warrant imposition of the disclosure requirement, the fact that the relative is "a member of an employee's immediate household" does, in our judgment, make the prescribed reporting necessary.

2. Spouse - Your query is whether the holdings of the spouse of an employee must be reported by the employee where the parties are living separate and apart without a legal separation. In this type of situation as in a legal separation, there is usually a failure of communication between the parties so that it may be impossible for the employee to obtain the necessary information from the spouse. Should your agency have any doubt as to the availability of the information, a practical approach would be to require the employee to furnish an affidavit setting forth the circumstances which prevent the obtaining of the separated spouse's report and stating that the employee derives no benefit from the spouse's holdings, whatever they may be, and is in no position to influence the spouse's holdings. This is so whether the spouse is living apart without a legal separation, or with a legal separation without a divorce.

You have also posed the problem of the spouse who lives in the employee's immediate household but refuses to furnish the required information. In such a case your agency must insist on the report subject to disciplinary sanctions. To lighten any possible marital complication, it could be helpful to point out that your agency is not seeking the

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value of the holdings, only their nature and designation.

3. Minority - With respect to the determination of minority status, the law of the state of residence of the employee rather than the location of the employee's office should apply. The location is only a happenstance; it is the residence where the immediate family lives which should be the guiding factor.

A related question is whether an adult son or daughter residing in the immediate household of the employee comes within the purview of 5 CFR 735.407. The applicable language of this section is that a report must be made of the holdings of a "spouse, minor child, or other member of an employee's immediate household." The term "other member" includes the adult son or daughter of an employee living at home.

4. Blind Trust - You ask whether a blind trust may be established for a single interest which presents a conflict. Such an interest would not create a valid basis for a blind trust for our purposes. Since the interest may not be retained by the employee, it would be meaningless for the employee to place it in a blind trust. In such a situation, the employee would know what the corpus of the trust contains so that the blind trust would accomplish nothing. Moreover, we do not approve blind trusts unless the employee instructs the trustee in the written agreement to dispose of all conflicting interests and not to purchase such interests in the future.

II. Gifts

The Public Interest Research Group (PIRG), situated in Washington, D. C., has petitioned the Commission for a public rule making proceeding to amend the present Commission's regulations 5 CFR 735.202(b) with respect to the acceptance of gifts by Government officers and employees. PIRG recommends that the Government eliminate all so-called "freebies." We have been examining this subject carefully and in the near future we should have some

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formulation of our thoughts on it. Meanwhile, if you should have any ideas or suggestions, please let us have them.

III. Travel

If a University should invite a Government employee to participate in a seminar and the employee obtains administrative leave for that purpose, the employee may accept reimbursement from the University for travel, subsistence and other expenses incident to attendance at the seminar. Recently the Comptroller General advised us that 5 U.S.C. 4111 authorizes the acceptance of such expenses from a tax-exempt organization described under 26 U.S.C. 501(c)(3). It is important that you ascertain whether the donor organization comes within the terms of the latter section. It appears, for example, that the American Bar Association does not. See 47 Comp. Gen. 319 (1967).

IV. In-Laws

We have under active consideration an amendment to the definition of "member of an employee's immediate household" appearing in 5 CFR 735.407. The present restriction to blood relatives seems to be too narrow; it should include in-laws who are living in the employee's immediate household. See Levin vs. Rosenkrantz, 86 N.Y.S. 2d 271, 273 (Mun. Ct. 1949) and Grant-Morris Management Corp. v. Weaver, 166 N.Y.S. 2d 610, 611 (Sup. Ct. 1957).

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V. Annual Processing of Supplementary Statements

Supplementary statements are required annually under 5 CFR 735.406 to update the initially filed confidential statements of employment and financial interests. The program we adopted last year to assure that these statements are timely received and reviewed met with your general approval and has been recommended by the Comptroller General. The procedure is as follows:

1. Officers and employees required to file supplementary statements must be apprised in writing of this obligation, with a copy of the form and a Privacy Act notice. A letter to this effect should be issued on or about June 15th with the instruction that the statement must be returned after July 1st but no later than July 31st. The statement must cover employment and financial interests as of June 30th. Agencies which have been authorized by our Commission to use a different closing date for the supplementary statements should make the necessary adaptation in this schedule.
2. A check-off list must be established by you to be sure that all statements have been returned no later than July 31st.
3. The statements must be reviewed by August 31st at the latest and resolution of any real or potential conflicts of interest must be completed as soon after August 31st as possible, but no later than September 30th. If the review is not completed by then, you should write to us, explaining the cause for the delay.
4. Approval of supplementary statements must be shown affirmatively by initialing an "O.K." or other symbol of approval and the date.
5. Where the review has been delegated to others, such as Deputy Ethics Counselors or Regional Directors, you must maintain responsible control for the program. This does not require you to review each statement, but you must be assured that the steps outlined above have been complied with. The reviewing official should

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submit to you, at a minimum, a statistical report containing the number of statements required, the number received and the results of the review, such as the number approved and those awaiting final resolution. In the latter case, a brief presentation of the problem and its handling should be stated. The report must be made to you by September 15th at the latest.

6. All reviewing officials must be fully cognizant of the purpose of the statement, the use of financial reports, such as Standard & Poor's, and such other related matters as will enable them to execute this important function. This is not a rubber-stamping operation.

Please note on your calendar that the next conference of ethics counselors is scheduled for September 20 through September 22, 1976.

As soon as we have more details, we shall be in communication with you.

Any comments or suggestions you may have for future releases should be directed to the Commission's Ethics Counsel, David Reich (632-5524).

REPORTS ISSUED ON AGENCIES'FINANCIAL DISCLOSURE SYSTEMS

<u>Agency</u>	<u>Report title, number, and issue date</u>
Federal Power Commission	Need for Improving the Regulation of the Natural Gas Industry and Management of Internal Operations, B-180228, 9/13/74.
U.S. Geological Survey	Effectiveness of the Financial Disclosure System for Employees of the U.S. Geological Survey, FPCD-75-131, 3/3/75.
Civil Aeronautics Board	Effectiveness of the Financial Disclosure System for Civil Aeronautics Board Employees Needs Improvement, FPCD-76-6, 9/16/75.
Federal Maritime Commission	Improvements Needed in the Federal Maritime Commission's Financial Disclosure System for Employees, FPCD-76-16, 10/22/75.
U.S. Railway Association	Improvements Needed in Procurement and Financial Disclosure Activities of the U.S. Railway Association, RED-76-41, 11/5/75.
Department of the Interior	Department of the Interior Improves Its Financial Disclosure System for Employees, FPCD-75-167, 12/2/75.
Food and Drug Administration	Financial Disclosure System for Employees of the Food and Drug Administration Needs Tightening, FPCD-76-21, 1/19/76.

<u>Agency</u>	<u>Report title, number, and issue date</u>
U.S. Geological Survey	Letter Report to Congressman John Moss on U.S. Geological Survey employees' divestiture, FPCD-76-37, 2/2/76.
Inter-American Foundation	Inter-American Foundation's Financial Disclosure System for Employees and Its Procurement Practices, ID-76-69, 6/30/76.
Federal Aviation Administration	Problems with the Financial Disclosure System, Federal Aviation Administration, FPCD-76-50, 8/4/76.
Department of Commerce	Problems Found in the Financial Disclosure System for Department of Commerce Employees, FPCD-76-55, 8/10/76.
Small Business Administration	Management Control Functions of the Small Business Administration--Improvements Are Needed, GGD-76-74, 8/23/76.
Export-Import Bank	Export-Import Bank's Financial Disclosure System for Employees and Its Procurement Practices, ID-76-81, 10/4/76.
Federal Communications Commission	Actions Needed to Improve the Federal Communications Commission's Financial Disclosure System, FPCD-76-51, 12/21/76.
Tennessee Valley Authority	Tennessee Valley Authority: Information on Certain Contracting and Personnel Management Activities, CED-77-4, 12/29/76.

<u>Agency</u>	<u>Report title, number, and issue date</u>
Energy Research and Development Administration	An Improved Financial Disclosure System, FPCD-77-14, 1/26/77.
Department of Agriculture	Financial Disclosure System for Department of Agriculture Employees Needs Strengthening, FPCD-77-17, 1/31/77.
Food and Drug Administration	The Food and Drug Adminis- tration's Financial Disclosure System for Special Government Employees: Progress and Problems, FPCD-76-99, 1/24/77.

Appendix D. Formats for Statements of Employment and Financial Interests 735-D-3

EXHIBIT I (Face)

**CONFIDENTIAL STATEMENT OF EMPLOYMENT AND FINANCIAL INTERESTS
(FOR USE BY GOVERNMENT EMPLOYEES)**

1. NAME (Last, first, initial)		2. TITLE OF POSITION	
3. DATE OF APPOINTMENT IN PRESENT POSITION		4. AGENCY AND MAJOR ORGANIZATIONAL SEGMENT	

PART I. EMPLOYMENT AND FINANCIAL INTERESTS. List the names of all corporations, companies, firms, or other business enterprises, partnerships, nonprofit organizations, and educational, or other institutions: (a) with which you are connected as an employee, officer, owner, director, member, trustee, partner, adviser, or consultant, or (b) in which you have any continuing financial interests, through a pension or retirement plan, bonded income, or other arrangement as a result of any current or prior employment or business or professional association; or (c) in which you have any financial interest through the ownership of stock, stock options, bonds, securities, or other arrangements including trusts. If none, write NONE.

NAME & KIND OF ORGANIZATION (Indicate part of organization where applicable)	ADDRESS	POSITION IN ORGANIZATION (List page title) (Indicate occupation, if applicable)	NATURE OF FINANCIAL INTEREST, e.g., STOCK, BOND, BUSINESS INCOME (List part (b) & (c) designations, if applicable)

PART II. CREDITORS. List the names of your creditors other than those to whom you may be indebted by reason of a mortgage on property which you occupy as a personal residence or in whom you may be indebted for current and ordinary household and living expenses such as household furnishings, automobile, education, vacation, and similar expenses. If none, write NONE.

NAME AND ADDRESS OF CREDITOR	CHARACTER OF INDEBTEDNESS (e.g., PERSONAL LOAN, NOTE, SECURITY)

PART III. INTERESTS IN REAL PROPERTY. List your interest in real property or rights in lands, other than property which you occupy as a personal residence. If none, write NONE.

NATURE OF INTEREST, e.g., OWNERSHIP, MORTGAGE LIEN, INVESTMENT TRUST	TYPE OF PROPERTY, e.g., RESIDENCE, HOTEL, APARTMENT, FARM, UNDEVELOPED LAND	ADDRESS (If rural, give RFD or county and state.)

PART IV. INFORMATION REQUESTED OF OTHER PERSONS. If any information is to be supplied by other persons, e.g., trustee, attorney, accountant, relative, please indicate the name and address of such persons, the date upon which you requested that the information be supplied, and the nature of subject matter involved. If none, write NONE.

NAME AND ADDRESS	DATE OF REQUEST	NATURE OF SUBJECT MATTER

(AGENCY MAY INSERT ADDITIONAL INSTRUCTIONS IN THE SPACE BELOW)

I certify that the statements I have made are true, complete, and correct to the best of my knowledge and belief.

(Date)

(Signature)

PRINCIPAL CIVIL SERVICE COMMISSION OFFICIALS

	<u>Tenure of office</u>	
	<u>From</u>	<u>To</u>
COMMISSIONERS:		
Robert E. Hampton, Chairman	Jan. 1969	Present
Georgianna Sheldon, Vice Chairman	Mar. 1976	Present
L. J. Andolsek, Commissioner	Apr. 1963	Present
Jayne B. Spain, Vice Chairman	June 1971	Dec. 1975
James E. Johnson, Vice Chairman	Jan. 1969	June 1971
John W. Macy, Jr., Chairman	Mar. 1961	Jan. 1969
Robert E. Hampton, Commissioner	July 1961	Jan. 1969
EXECUTIVE DIRECTOR:		
Raymond Jacobson	July 1975	Present
Bernard Rosen	June 1971	June 1975
Nicholas J. Oganovic	June 1965	May 1971