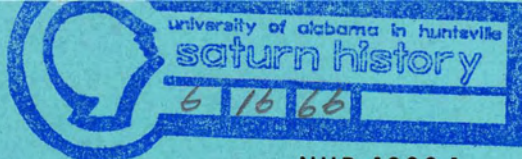


III



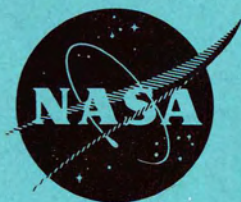
NHB 1900.1  
June 1966

**STANDARDS  
OF  
CONDUCT**

SATURN HISTORY DOCUMENT  
University of Alabama Research Institute  
History of Science & Technology Group  
Date: \_\_\_\_\_ Doc # \_\_\_\_\_

**FOR**

**NASA  
EMPLOYEES**



**NATIONAL AERONAUTICS AND SPACE ADMINISTRATION**

## PREFACE

June 16, 1966

---

Effective date

NASA regulations prescribing Standards of Conduct for all NASA employees, as approved by the Civil Service Commission on May 12, 1966, and published in the Federal Register (31 F.R. 8418-8428) on June 16, 1966, are reissued in this Handbook for the convenience of NASA employees. Except for references to "parts," "subparts," "sections," etc., the text is identical to that published in the Federal Register.

The Standards of Conduct regulations are issued under Executive Order 11222 of May 11, 1965 (30 F.R. 6469, 3 C.F.R. 1965 Supp.; 5 C.F.R. 735.104) and chapter 735 of the Federal Personnel Manual.

This Handbook sets forth NASA's regulations for the maintenance of the high ethical standards of conduct required of NASA employees, including special Government employees as they are covered by such regulations, in carrying out their duties and responsibilities.

Parts A, B, C, and D of the regulations, and Appendices A, B, C, and D, are applicable to:

- a. All regular officers and employees of NASA (referred to hereinafter as "employees") but not special Government employees (as defined in paragraph 601(a)), and
- b. All civilian and military personnel of other Government agencies regularly detailed to NASA.

Part E of the regulations is applicable to:

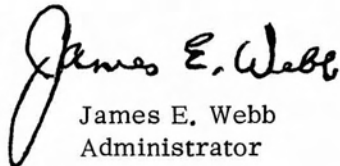
- a. NASA employees except special Government employees (as defined in paragraph 601(a)), and
- b. Civilian and military personnel of other Government agencies regularly detailed to NASA; however, disciplinary action may be effected against such civilian or military personnel only by the parent military service or employing agency.

Part F of the regulations and Appendices E, F, and G are applicable only to special Government employees. (This part is also reprinted as NHB 1900.2 for issue to NASA special Government employees, and particularly to NASA advisers, consultants and experts.)

NASA Field Installations shall not rewrite or issue the NASA Standards of Conduct regulations in any other form.

NASA Management Instruction 1910.1, 1920.1, 1930.1, 1940.1, 1950.1 and 1950.2 are hereby canceled.

An initial supply of NHB 1900.1 and NHB 1900.2 has been furnished to each installation personnel office for distribution to employees. Additional quantities should be requested from Administrative Services Division (Code BAS-2), NASA Headquarters.



James E. Webb  
Administrator

DISTRIBUTION:  
All NASA Employees.

## TABLE OF CONTENTS

### PART A: GENERAL PROVISIONS

<u>Paragraph</u>	<u>Page</u>
100 Ethical Standards of Conduct. . . . .	1
101 Other General Standards of Conduct. . . . .	1

### PART B: ACCEPTANCE OF GIFTS, GRATUITIES, OR ENTERTAINMENT

200 Scope. . . . .	5
201 Policy . . . . .	5
202 Statutory Prohibitions. . . . .	8

### PART C: OUTSIDE EMPLOYMENT

300 Scope. . . . .	9
301 Definition . . . . .	9
302 Policy . . . . .	9
303 Guidelines and Limitations. . . . .	10
304 Distinction Between Official and Nonofficial Activities . . . . .	11
305 Compensation, Honorariums, Travel Expenses . . . . .	11
306 Special Conditions Applicable to Teaching. . . . .	12
307 Special Conditions Applicable to Writing and Editing. . . . .	12
308 Administrative Approval . . . . .	13
309 Related Statutory Provisions . . . . .	13

### PART D: EMPLOYMENT AND FINANCIAL INTERESTS AND INVESTMENTS

400 Scope. . . . .	17
401 General . . . . .	17
402 Statutory Prohibitions Against Acts Affecting a Personal Financial Interest. . . . .	18

<u>Paragraph</u>	<u>Page</u>
403 Waiver of Statutory Prohibition, . . . . .	19
404 Statement of Employment and Financial Interests, . . . . .	19

**PART E: ADVISORY SERVICE AND  
ENFORCEMENT**

500 Scope . . . . .	23
501 Use of Advisory Service . . . . .	23
502 Designation of Counselors and Statement of Functions. . . . .	23
503 Review, Enforcement, Reporting and Investigating . . . . .	24

**PART F: STANDARDS OF CONDUCT FOR  
SPECIAL GOVERNMENT  
EMPLOYEES**

600 Scope . . . . .	27
601 Definitions . . . . .	27
602 Applicability . . . . .	28
603 Application of Conflict of Interest Statutes . . . . .	28
604 Other Statutes . . . . .	31
605 Standards of Ethical Conduct . . . . .	32
606 Statement of Employment and Financial Interests. . . . .	34
607 Advisory Service . . . . .	36
608 Review, Enforcement, Reporting and Investigation . . . . .	36

**APPENDIXES**

Appendix A Procedures for Permission to Engage in Out- side Employment . . . . .	39
Appendix B Waiver Procedures. . . . .	41
Appendix C Categories of Financial Interests Exempted from the Prohibition of 18 U.S.C. 208(a). . . . .	43
Appendix D Procedures for Filing Financial Interest State- ments. . . . .	45
Appendix E Conflicts of Interest Statutes . . . . .	47
Appendix F Categories of Financial Interests Exempted from the Prohibition of 18 U.S.C. 208(a). . . . .	53
Appendix G Miscellaneous Statutory Provisions. . . . .	55

## **PART A: GENERAL PROVISIONS**

### **100 ETHICAL STANDARDS OF CONDUCT**

Each NASA employee will refrain from any use of his official position which is motivated by, or has the appearance of being motivated by, the desire for private gain for himself or other persons. He must conduct himself in such a manner that there is not the slightest suggestion of the extracting of private advantage from his Government employment. Pursuant to this policy, each NASA employee will observe the following standards of conduct:

- (a) He will not as a result of, or on the basis of, any information derived from his official position or from the official position of other NASA employees with whom he associates, engage, directly or indirectly, in any business transaction or arrangement, including the buying or selling of securities or recommending the purchase or sale of securities to other persons.
- (b) He will exercise care in his personal financial activities to avoid any appearance of acting on the basis of information obtained in the course of performing his Government duties.
- (c) If he acquires information in the course of performing his Government duties that is not generally available to those outside the Government, he will not use this information to further a private interest or for the special benefit of a business or other entity in which he has a financial or other interest.
- (d) He will not use his Government position in any way to coerce, or give the appearance of coercing, another person to provide any financial benefit to him or to other persons.

### **101 OTHER GENERAL STANDARDS OF CONDUCT**

#### **(a) USE OF GOVERNMENT PROPERTY**

An employee will not directly or indirectly use, or allow the use of, Government property of any kind, including

property leased to the Government, for other than officially approved activities. An employee has a positive duty to protect and conserve Government property, including equipment, supplies, and other property entrusted or issued to him.

(b) INDEBTEDNESS

The indebtedness of NASA employees is considered to be essentially a matter of their own concern. NASA will not be placed in the position of acting as a collection agency or of determining the validity or amount of contested debts. Nevertheless, NASA employees are expected to honor in a proper and timely manner, debts which are acknowledged by the employee to be valid or which have been reduced to final judgment by a court, or to make or adhere to satisfactory arrangements for the settlement of such debts. Employees are also expected to meet their responsibilities for payment of Federal, State, and local taxes. For the purpose of this subparagraph, "in a proper and timely manner" means in a manner which NASA determines does not, under the circumstances, reflect adversely on NASA as his employer.

(c) GAMBLING, BETTING, AND LOTTERIES

An employee while on Government-owned or leased property or while on duty for the Government will not participate in any gambling activity, including the operation of a gambling device, conducting a lottery or pool, participating in a game for money or property, or selling or purchasing a numbers slip or ticket. However, participation in Federally sponsored fund-raising activities conducted pursuant to Executive Order 10927 is not precluded.

(d) GENERAL CONDUCT PREJUDICIAL TO THE GOVERNMENT

An employee will not engage in criminal, infamous, dishonest, immoral, or notoriously disgraceful conduct, or any other conduct prejudicial to the Government.

(e) STATUTORY PROHIBITIONS RELATING TO GIFTS AND DECORATIONS

(1) An employee will not solicit contributions from another employee for a gift to an employee in a superior official

position. An employee in a superior official position shall not accept a gift presented as a contribution from employees receiving less salary than himself. An employee shall not make a donation as a gift to an employee in a superior official position (5 U.S.C. 113).

- (2) An employee will not accept a gift, present, decoration or other items from a foreign government unless authorized by Congress as provided by the Constitution and in 5 U.S.C. 114-115a (see NMI 1030.1).

(f) MISCELLANEOUS STATUTORY PROVISIONS

Each employee will become acquainted with the statutory provisions which relate to his ethical and other conduct, among which the following are particularly relevant:

- (1) House Concurrent Resolution 175, 85th Congress, 2d Session, 72 Stat. B12, the "Code of Ethics for Government Service."
- (2) Chapter 11 of title 18, United States Code, relating to bribery, graft, and conflicts of interest, as appropriate to the employees concerned.
- (3) The prohibition against lobbying with appropriated funds (18 U.S.C. 1913).
- (4) The prohibitions against disloyalty and striking (5 U.S.C. 118p, 118r).
- (5) The prohibition against the employment of a member of a Communist organization (50 U.S.C. 784).
- (6) The prohibitions against (i) the disclosure of classified information (18 U.S.C. 798, 50 U.S.C. 783); and (ii) the disclosure of private or proprietary information (18 U.S.C. 1905).
- (7) The provision relating to the habitual use of intoxicants to excess (5 U.S.C. 640).
- (8) The prohibition against the misuse of a Government motor vehicle or aircraft (5 U.S.C. 78c).
- (9) The prohibition against the misuse of the franking privilege (18 U.S.C. 1719).



- (10) The prohibition against the use of deceit in an examination or personnel action in connection with Government employment (5 U.S.C. 637).
- (11) The prohibition against fraud or false statements in a Government matter (18 U.S.C. 1001).
- (12) The prohibition against mutilating or destroying a public record (18 U.S.C. 2071).
- (13) The prohibition against counterfeiting and forging transportation requests (18 U.S.C. 508).
- (14) The prohibitions against (i) embezzlement of Government money or property (18 U.S.C. 641); (ii) failing to account for public money (18 U.S.C. 643); and (iii) embezzlement of the money or property of another person in the possession of an employee by reason of his employment (18 U.S.C. 654).
- (15) The prohibition against unauthorized use of documents relating to claims from or by the Government (18 U.S.C. 285).
- (16) The prohibition against proscribed political activities - The Hatch Act (5 U.S.C. 118i, and 18 U.S.C. 602, 603, 607, and 608). Such statutes are available for review in the appropriate installation counsel's office.

## **PART B: ACCEPTANCE OF GIFTS, GRATUITIES, OR ENTERTAINMENT**

### **200 SCOPE**

This part establishes NASA policy with respect to the acceptance of gifts, gratuities, entertainment (including meals), favors, loans, or any other thing of monetary value by NASA employees.

### **201 POLICY**

(a) It is NASA policy not to interfere in the private lives of NASA employees and their families. However, certain conduct involving acceptance of gifts, gratuities, entertainment (including meals), favors, loans or any other thing of monetary value, which does not fall within any specific statutory prohibition, must be regulated in view of the nature of the official duties of the employee and the special responsibilities that are assumed by a person who accepts Federal employment. Employees should avoid any actions, whether or not specifically prohibited by law or regulation, 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 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.

(b) Except as provided in subparagraph (d), the direct or indirect solicitation or acceptance by a NASA employee or his spouse or minor child of any gift, gratuity, entertainment (including meals), favors, loan, or any other thing of

monetary value from any person, corporation, or group is forbidden if the employee has reason to believe that the person, corporation, or group:

- (1) Has or is seeking to obtain contractual or other business or financial relationships with NASA; or
  - (2) Has interests which may be substantially affected by such employee's performance or nonperformance of his official duty; or
  - (3) Is in any way attempting to affect the employee's official action.
- (c) There are certain exceptions to the foregoing general rule (subparagraph (b)) which are set forth in subparagraph (d). The application of these exceptions will require the exercise of good judgment and common sense by NASA employees. In determining whether one or more of the exceptions apply, NASA employees shall be guided by the principle that situations having an appearance which might, whether justifiably or not, bring discredit to the Government or to NASA shall be avoided. If an employee finds that his acceptance of a meal, or of refreshments or entertainment pursuant to one of the exceptions under subparagraph (d) occurs other than infrequently, he should carefully re-examine the provisions of this part and consult with the Agency Counselor or a Deputy Counselor in accordance with Part E. Each NASA employee will so govern his conduct in the light of this part, as to have no difficulty in justifying his actions if required to do so.
- (d) The following are exceptions to the general rule set forth in subparagraph (b):
- (1) Acceptance of food and refreshments of nominal value on infrequent occasions in the ordinary course of a luncheon or dinner meeting or other meeting or on an inspection tour where the arrangements are consistent with the transaction of official business.
  - (2) Acceptance of modest entertainment, such as a meal or refreshments, in connection with attendance of widely attended gatherings sponsored by industrial, technical,

---

or professional associations, or at public ceremonies or similar activities financed by nongovernmental sources where the NASA employee's participation on behalf of NASA is the result of an invitation addressed to him in his official capacity and approved as a part of his official duties, and the entertainment accepted is related to, and in keeping with, his official participation.

- (3) Acceptance of gifts, favors, or entertainment, where there is an obvious family or personal relationship between the employee, or between his spouse, children or parents, and the donor, and where the circumstances make it clear that it is that relationship rather than the business of the persons concerned which is the motivating factor for the gift, favor, or entertainment.
  - (4) Purchase of articles at advantageous rates where such rates are offered to Government employees as a class.
  - (5) 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.
  - (6) Acceptance of unsolicited advertising or promotional material, such as pens, pencils, note pads, calendars, or other items of nominal value.
  - (7) Acceptance of incidental transportation in kind from a private organization, provided it is furnished in connection with the performance of the employee's official duties and is of a type customarily provided by the private organization. (For further guidance concerning the acceptance of travel and related expenses, see paragraph 305.)
- (e) A gift or gratuity the receipt of which is prohibited under this part will be returned to the donor. If return is not possible, the gift or gratuity will be turned over to a public or charitable institution and a report of such action, and the reasons why return was not feasible will be made to the employee's supervisor. When possible, the donor should also be informed of such action.

## 202 STATUTORY PROHIBITIONS

The prohibitions set forth in paragraph 201 are to be construed as being in addition to and not in limitation of:

- (a) The prohibitions of 18 U.S.C. 201, as amended, relating to the corrupt solicitation or receipt of, or arrangement to receive, anything of value in connection with an employee's performance of his official duty; and
- (b) 18 U.S.C. 203, as amended, relating to the unlawful solicitation or receipt of, or agreement to receive, compensation for services rendered by an employee in connection with matters affecting the Government.

## **PART C: OUTSIDE EMPLOYMENT**

### **300 SCOPE**

This part prescribes NASA policy and procedures regarding outside employment of NASA employees.

### **301 DEFINITION**

As used in this part, the term "outside employment" means any work, service, or other outside activity performed by an employee other than in the performance of his official duties. It includes such activities as writing and editing, publishing, teaching, lecturing, consulting services, self-employment, and other work or services, with or without compensation.

### **302 POLICY**

- (a) NASA employees are permitted to engage in outside employment that is compatible with the full and proper discharge of the duties and responsibilities of their Government employment. Guidelines for determining compatibility are set forth in paragraph 303.
- (b) NASA employees are encouraged to participate as private citizens in the affairs of their communities provided that the limitations prescribed below and by these regulations are observed. Among these activities may be the following:
  - (1) Speaking, writing, editing, and teaching.
  - (2) Participation in the affairs of charitable, religious, professional, social, fraternal, nonprofit educational and recreational, public service, or civic organizations, and the acceptance of awards from any such organizations.
  - (3) Participation in the activities of national, State, and local political parties not proscribed by law. In this connection employees should be particularly aware of those restrictions imposed on their activities by the Hatch Act (5 U.S.C. 118i).

### 303 GUIDELINES AND LIMITATIONS

Outside employment is incompatible with the full and proper discharge of an employee's duties and responsibilities, and hence is prohibited, if:

- (a) It would involve the violation of a Federal or State statute, a local ordinance, Executive Order, or regulation to which the employee is subject.
- (b) It would give rise to a real or apparent conflict of interest situation even though no violation of a specific statutory provision were involved.
- (c) It would involve acceptance of a fee, compensation, gift, payment of expense, or any other thing of monetary value in circumstances in which acceptance might result in, or create the appearance of, a conflict of interest.
- (d) It might bring discredit upon, or reasonably cause unfavorable criticism of, the Government or NASA or lead to relationships that might impair public confidence in the integrity of the Government or NASA.
- (e) It would involve work with any contractor or subcontractor that is connected with any work being performed by that entity for NASA or would otherwise involve work for any person or organization which may be in a position to gain advantage in its dealings with the Government through the exercise of the employee's exercise of his official duties.
- (f) It would identify NASA or its employee officially with any organization manufacturing, distributing, or advertising a product relating to work conducted by NASA, or would create the false impression that it is an official action of NASA, or represents an official point of view. In any permissible outside employment, care must be taken to ensure that names and titles of NASA employees are not used to give the impression that the activity or product is officially endorsed or approved by NASA or is part of NASA activities.
- (g) It would involve use of the employee's time during his official working hours.

- (h) It would involve use by the employee of official facilities, e.g., office space, office machines or supplies, or the services of other employees during duty hours.
- (i) It would be of such extent or nature as to interfere with the efficient performance of the employee's Government duties.
- (j) It would involve use of information obtained as a result of Government employment that is not freely available to the general public in that it either has not been made available to the general public or would not be made available on request. However, written authorization for the use of non-public information may be given when the Director of the Field Installation or the Assistant Administrator for Administration, at NASA Headquarters, as appropriate, determines that such use would be in the public interest.

#### 304 DISTINCTION BETWEEN OFFICIAL AND NONOFFICIAL ACTIVITIES

In applying the provisions of this part, particularly with regard to writing, speaking, or editing activities, NASA employees must distinguish between official and nonofficial activities. In connection with writing, speaking, or editing, an activity will normally be considered official if:

- (a) It is the result of a request addressed to NASA to furnish a speaker, author, or editor or of an invitation addressed to an employee of NASA to perform these activities in his official capacity, rather than as a private individual;
- (b) The activity is performed in conjunction with attendance at a meeting approved under the authority of the Federal Employees' Training Act, 5 U.S.C 2318(b).

The fact that an activity was prepared for outside of duty hours or was performed after normal duty hours is not determinative of whether it is official or nonofficial.

#### 305 COMPENSATION, HONORARIUMS, TRAVEL EXPENSES

- (a) An employee may accept compensation or an honorarium for permissible outside employment that is nonofficial in character unless otherwise prohibited by this part.



- (b) (1) Except as provided in subparagraph (2), travel expenses normally will be borne by the Government when official employment activities of NASA employees are involved, including attendance at meetings of nongovernmental organizations (see NPD 9710.2). Conversely, when non-official outside employment activities are involved, appropriated funds will not be utilized for travel or subsistence.
  
- (2) Contributions and awards incident to training in non-Government facilities and travel, subsistence, and other expenses incident to attendance at meetings may be accepted by NASA employees, provided that such contributions, awards, and payments are made by nonprofit organizations pursuant to the Government Employees Training Act (5 U.S.C. 2318), and that the employee has obtained specific written authorization to accept the contribution or award.

### **306 SPECIAL CONDITIONS APPLICABLE TO TEACHING**

Teaching or lecturing will not be undertaken for the purpose of instructing, directly or indirectly, any person or class of persons with a view to their special preparation for a Civil Service or Foreign Service examination (see Executive Order 9367).

### **307 SPECIAL CONDITIONS APPLICABLE TO WRITING AND EDITING**

- (a) Subject to the conditions in this part applicable to outside employment, NASA employees may serve as editors, as editorial consultants, or on editorial boards and may contribute articles to publications issued by nonprofit organizations or by profit organizations involved in trade or news press publishing.
  
- (b) Publications associated with organizations in the nonprofit category are those such as the National Geographic Society.
  
- (c) The profit category of publications includes textbooks, handbooks, magazines, journals and newspapers. Editing activities for profit organizations should be carefully appraised. Under no circumstances should the activity involve approval or disapproval of advertising.

- (d) Writing and editing, with or without pay, which pertain to the private interest of employees regarding hobbies, sports, or cultural activities are permitted unless there are actual or apparent conflicts with their officially assigned duties.

### 308 ADMINISTRATIVE APPROVAL

The provisions of this paragraph will be observed with respect to all outside employment. Each employee must be alert to identify and to avoid any situation that would involve him in prohibited activity. Aside from avoiding prohibited outside employment, each employee must also obtain administrative approval in accordance with Appendix A before engaging in outside employment of the following types:

- (a) Writing or editing except those activities set out in paragraph 307(d).
- (b) Speaking engagements except where the subject matter is unrelated to the subject matter of the employee's official duties.
- (c) Teaching and lecturing.
- (d) Regular self-employment.
- (e) Consulting services.
- (f) Holding State or local public office.
- (g) Any other outside work concerning the propriety of which an employee is uncertain.

Prior administrative approval may be required for additional types of outside employment where, because of special considerations, such a requirement is considered desirable for the protection of employees or NASA.

### 309 RELATED STATUTORY PROVISIONS

Several criminal statutory provisions restrict certain types of outside activities on the part of employees as follows:

- (a) 18 U.S.C. 203 imposes criminal penalties upon an employee who, other than in the proper discharge of official duties,

directly or indirectly receives or agrees to receive, or asks, demands, solicits, or seeks, any compensation for any service rendered or to be rendered either by himself or another in relation to any proceeding, application, request for a ruling or other determination, contract, claim, controversy, charge, accusation, arrest, or other particular matter in which the United States is a party or has a direct and substantial interest, before any department, agency, court-martial, officer, or any civil, military, or naval commission.

(b) (1) 18 U.S.C. 205 imposes criminal penalties upon an employee who other than in the proper discharge of his official duties--

(i) Acts as agent or attorney for prosecuting any claim against the United States or receives any gratuity, or any share of or interest in any such claim, in consideration of assistance in the prosecution of such claim, or

(ii) Acts as agent or attorney for anyone before any department, agency, court, court-martial, officer, or any civil, military, or naval commission in connection with any proceeding, application, request for a ruling or other determination, contract, claim, controversy, charge, accusation, arrest, or other particular matter in which the United States is a party or has a direct and substantial interest--

(2) Exceptions to the foregoing prohibition are as follows:

(i) If not inconsistent with the faithful performance of his duties, an employee may act, without compensation, as agent or attorney for any person who is the subject of disciplinary, loyalty, or other personnel administration proceedings in connection with those proceedings.

(ii) An employee may act with or without compensation, as agent or attorney for his parents, spouse, child, or any person for whom, or for any estate for which, he is serving as guardian, executor, administrator, trustee, or other personal fiduciary except in those matters in which he has participated personally and

---

substantially as a Government employee, through decision, approval, disapproval, recommendation, the rendering of advice, investigation, or otherwise, or which are the subject of his official responsibility, provided that the Government official responsible for appointment to his position approves.

- (c) (1) Under 18 U.S.C. 209 an employee is prohibited from receiving any salary, or any contribution to or supplementation of salary, as compensation for his services as an officer or employee of the Government, from any source other than Government of the United States except as may be contributed out of the treasury of any State, county or municipality.
- (2) Exceptions to the prohibitions of 18 U.S.C. 209 are made for those employees continuing to participate in a bona fide pension, retirement, group life, health or accident insurance, profit-sharing, stock bonus, or other employee welfare or benefit plan maintained by a former employer. However, such financial interests may still violate 18 U.S.C. 208 unless waived (see Appendix C, paragraph 4).

## **PART D: EMPLOYMENT AND FINANCIAL INTERESTS AND INVESTMENTS**

### **400 SCOPE**

This part prescribes policies and precedures for the avoidance of conflicting personal employment and financial interests in connection with an employee's Government position or in the discharge of his official responsibilities, and sets out the requirements for reporting financial interests and outside employment.

### **401 GENERAL**

- (a) Employees are subject to two types of controls in connection with apparent or actual conflicting employment and financial interests. One is a criminal statute, 18 U.S.C. 208, which by its terms prohibits an employee's participation in certain activities where he has a conflicting personal financial interest. The other is a requirement under Executive Order 11222 that employees occupying certain Government positions must report all personal financial interests by filing a statement of employment and financial interests. The statute and the statement of employment and financial interests have the common objective of deterring the occurrence of conflicting financial interest situations: one by sanctions and the other by disclosure. But whereas the statute prohibits and punishes, the statement of employment and financial interests is intended to serve as an aid to the employee and those who review his statement in the avoidance of the conflicting situation through advice and counseling.
- (b) The statement of employment and financial interests required under this part are in addition to, and not in substitution for, or in derogation of, any similar requirement imposed by law, order or regulation. The submission of a statement or supplementary statement by an employee does not permit him or any other person to participate in a matter in which his or the other person's participation is prohibited by law, order, or regulation, unless he obtains a waiver under procedures set out in this part.

## 402 STATUTORY PROHIBITIONS AGAINST ACTS AFFECTING A PERSONAL FINANCIAL INTEREST

- (a) The provisions of 18 U.S.C. 208(a) prohibit any employee from participating personally and substantially in the course of his Government duties in any judicial or other proceeding, application, request for a ruling or other determination, contract, claim, controversy, charge, accusation, arrest, or other particular matter in relation to which matter, to his knowledge, the following persons or organizations have a financial interest:
- (1) The employee, or his spouse, minor child, or partners;
  - (2) A business or nonprofit organization in which the employee is serving as an officer, director, trustee, partner, or employee; or
  - (3) A person or business or nonprofit organization with whom or with which the employee is negotiating, or has any arrangement with, concerning prospective employment.
- (b) The prohibitions in subparagraph (a) may be waived under certain circumstances which are set out in paragraph 403.
- (c) Illustrative of the types of matters in which NASA employees commonly participate and which may fall within the prohibitions described in subparagraph (a) are the following:
- (1) The negotiation, administration, or auditing of contracts or agreements;
  - (2) The selection or approval of contractors or known subcontractors under a NASA prime contract;
  - (3) The technical monitoring or direction of work under a contract;
  - (4) Participation on boards or committees of the type listed in paragraph 404(a)(4); or
  - (5) Project monitoring.
- (d) Unless a waiver is granted pursuant to paragraph 403, no NASA employee or civilian or military personnel of other

Government agencies regularly detailed to NASA will participate personally and substantially in the course of his Government duties in any specific matter of a type listed in subparagraph (c), or in any other matter of a type referred to in subparagraph (a) if, to his knowledge, any of the persons or organizations identified in subparagraph (a) have a financial interest relating to that specific matter.

#### **403 WAIVER OF STATUTORY PROHIBITION**

- (a) The prohibition of 18 U.S.C. 208(a) may be waived in connection with a specific matter of the type which comes under the statute if the employee makes a full disclosure in writing of the nature of the matter involved and of the financial interest relating thereto and receives, in advance of his participation in such matter, a written determination that such financial interest is not so substantial as to affect the integrity of his services and, therefore, that the employee may participate personally and substantially in that matter. The procedures set forth in Appendix B will be followed in connection with granting a waiver as described in this paragraph 403.
- (b) The prohibition of 18 U.S.C. 208(a) also may be waived by general regulation applicable to all NASA employees so as to permit an employee and civilian and military personnel of other Government agencies regularly detailed to NASA to participate personally and substantially in a specific matter, notwithstanding the existence of a financial interest relating to that matter, where it has been determined that such a financial interest is too remote or too inconsequential to affect the integrity of a NASA employee's service in any matter in which he may act in his governmental capacity. Such a determination has been made by the Administrator with respect to the categories of financial interests set forth in Appendix C.

#### **404 STATEMENT OF EMPLOYMENT AND FINANCIAL INTERESTS**

- (a) The following categories and types of employees will file a statement of employment and financial interests containing the kind of information required by the Civil Service Commission on NASA Form 1270:
  - (1) Employees paid at a level of the Federal Executive Salary Schedule established by the Federal Executive

Salary Act of 1964, as amended, except the Administrator who is subject to separate reporting requirements under section 401 of Executive Order 11222.

- (2) Employees in Grade GS-16 and above of the General Schedule established by the Classification Act of 1949, as amended, and those employees holding NASA excepted positions and comparable and higher positions not subject either to the Classification Act or Section 203(b)(2) of the National Aeronautics and Space Act of 1958, as amended.
- (3) Employees at the GS-13 level and above, unless otherwise exempted pursuant to subparagraph (b), whose basic duties and responsibilities require the exercise of judgment in making or recommending a Government decision or in taking or recommending Government action in regard to:
  - (i) Contracting or procurement, including the evaluation or selection of contractors; the negotiation, approval, or award of contracts; the supervision of activities performed by contractors, including the administration, monitoring, audit, and inspection of contractors and contract activities; the initiation or approval of requests to procure supplies, equipment, or services, other than those common items available from NASA or GSA inventories;
  - (ii) Administering or monitoring grants or subsidies, including grants to educational institutions and other non-Federal organizations;
  - (iii) Auditing financial transactions;
  - (iv) Using or disposing of excess or surplus property (GS-12 and above);
  - (v) Establishing or enforcing safety standards and procedures; and
- (4) All employees, regardless of grade, occupying or serving in the following positions or on the following Boards or Committees:
  - (i) Attorney-advisers and patent attorneys,
  - (ii) Patent-advisers,



- (iii) Source Evaluation Boards or Committees,
  - (iv) Inventions and Contributions Board,
  - (v) Contract Adjustment Board,
  - (vi) Board of Contract Appeals,
  - (vii) Architect-Engineer Selection Boards, and
  - (viii) Site Selection Boards.
- (5) Other employees identified by the Director of a Field Installation or, at Headquarters, by the Assistant Administrator for Administration as holding positions requiring the incumbent thereof to exercise judgment in making or recommending Government decisions or actions where such decisions or actions may have an economic impact on the interest of any non-Federal enterprise.
- (b) An employee described in subparagraph (a)(3) may be exempted from the requirement for filing a statement of employment and financial interests when the Director of the Field Installation involved or, at Headquarters, the Assistant Administrator for Administration determines that the employee's duties are at such a level of responsibility and are subject to such a degree of supervision and review that the possibility of his becoming involved in a conflict of interest is remote.
- (c) Procedures for filing statements of employment and financial interests are contained in Appendix D.
- (d) The following procedures will be followed with regard to the maintenance of statements of employment and financial interests. Each Field Installation Director, and for Headquarters, the Assistant Administrator for Administration will maintain on a current basis a master list of employees required to file statements under this part. It will be this official's responsibility to determine that the list includes all those employees falling within the criteria for reporting set forth in this part and that the requirement for filing statements is fully carried out on a timely basis. In

the event of any question regarding the interpretation of these criteria, the official will consult the Agency Counselor of NASA directly.

- (e) Employee statements will be given the same degree of confidential handling as security files. Statements forwarded to the appropriate personnel office in accordance with this part will be in sealed envelopes. Statements will be retained in a special locked cabinet or safe to which only the designated employees will have access. The head of the local personnel office will designate within his office one employee at a supervisory level who is authorized to open and examine statements for completeness. When a form is not complete, it shall be returned for proper completion. When a form is complete, it shall be promptly forwarded to a Deputy Counselor (Legal) for review pursuant to Part E. Statements will be retained in a special locked cabinet or safe to which only the designated employees will have access. Transmission of statements for legal review will be in a sealed envelope bearing the inscription "To Be Opened Only By (bearing the name of the individual authorized to review such statements)." Within each NASA legal office, procedures for limiting access to statements and for their safekeeping, as rigorous as those set forth for personnel offices, will be maintained. There will be no discussion or disclosure of the details of financial statements except as necessary to carry out the provisions of Part E. Information from a statement shall not be disclosed outside of NASA except as the Administrator or the Civil Service Commission shall determine for good cause shown.
- (f) This part does not require an employee to include in a statement of employment and financial interests, or supplementary statement, any information relating to the employee's connection with, or interest in, a professional society or a charitable, religious, social, fraternal, recreational, public service, civic or political organization or a similar organization not conducted as a business enterprise. For the purpose of this part, educational and other institutions doing research and development or related work involving grants of money from or contracts with the Government are deemed "business enterprises" and are required to be included in an employee's financial interest statement.

## **PART E: ADVISORY SERVICE AND ENFORCEMENT**

### **500 SCOPE**

This part (a) establishes an advisory service for employees for the purpose of interpreting and advising on questions arising under this part and (b) prescribes the types of remedial and disciplinary actions which may be taken to enforce the requirements of Parts A, B, C, D and E of this handbook.

### **501 USE OF ADVISORY SERVICE**

When questions or problems arise concerning matters covered by this part NASA employees will seek the advice and consultative services of the counselors designated in paragraph 502.

### **502 DESIGNATION OF COUNSELORS AND STATEMENT OF FUNCTIONS**

(a) The General Counsel is designated as the Agency Counselor. His functions consist of the following:

- (1) Act as the principal point of contact with the Civil Service Commission on matters covered in these regulations; and
- (2) Provide general guidance to Deputy Counselors for the purpose of achieving uniform interpretation of these regulations.

#### **(b) DEPUTY COUNSELORS**

(1) The following officials are designated as Deputy Counselors under this part:

(i) NASA Headquarters--

- (a) The Director of Personnel, NASA;
- (b) An Assistant General Counsel, as designated by the Agency Counselor; and
- (c) The Headquarters Personnel Officer.

(ii) NASA field installations--

- (a) The Chief Counsel, and
- (b) The Personnel Officer.

(2) Functions of the Deputy Counselors

- (i) The Director of Personnel, NASA, will oversee the activities of the Deputy Counselors (Personnel officers) under the general guidance of the Agency Counselor.
- (ii) Deputy Counselors (Legal) will be responsible for:
  - (a) Reviewing statements of employment and financial interests, filed pursuant to the provisions of Parts D and E, and
  - (b) Advising the Deputy Counselors (Personnel officers) on questions regarding the interpretation and application of statutes, Executive Orders, Court Decisions, the decisions of the Comptroller General, and other legal matters arising under these regulations.
- (iii) Deputy Counselors (Personnel) will be responsible for:
  - (a) Counseling employees on all other problems and questions arising under these regulations which are not specifically within the responsibility of the Deputy Counselors (Legal), and
  - (b) Consulting, as necessary, with the Deputy Counselors (Legal) on questions and problems arising under these regulations.
- (iv) Deputy Counselors may carry out their responsibilities through designated subordinates. The Deputy Counselors, however, shall retain ultimate responsibility for the functions assigned to them under this paragraph 502.

### 503 REVIEW, ENFORCEMENT, REPORTING AND INVESTIGATING

- (a) Each statement of employment and financial interests submitted under Part D shall be reviewed by the appropriate Deputy Counselor (Legal). If that review discloses

a conflict of interest or apparent conflict of interest the employee shall be given an opportunity to explain the conflict or apparent conflict, and every effort shall be made to resolve the matter. If the matter cannot be resolved at a lower level, it shall be reported to the Agency Counselor. If the Agency Counselor decides that remedial action is necessary, he shall take such action immediately to end the conflict or apparent conflict of interest.

- (b) NASA employees should consult with their Deputy Counselors with regard to any questions concerning these regulations. Resolution of problems disclosed by such consultations will be accomplished at the lowest possible supervisory level in the agency through counseling or by taking administrative action to eliminate real or apparent conflicts of interest. The services of the NASA Inspections Division will be requested by the Deputy Counselor, when necessary, to conduct investigations to ascertain all relevant facts.
- (c) Any NASA employee receiving an allegation of a possible violation under the provisions of these regulations on the part of any other NASA employee, or other Government employee detailed to NASA, shall, unless it is based on mere gossip or rumor, promptly report it directly to the Director of Inspections or his local representative, as provided for in NASA Management Manual Instruction 17-8-4.
- (d) A violation of the regulations contained in this handbook may be cause for appropriate disciplinary action. All disciplinary or remedial action taken hereunder will be in conformance with applicable laws, Executive Orders, Civil Service Commission regulations and NASA regulations. Appropriate disciplinary or remedial action includes, but is not limited to, divestiture by the employee of his conflicting interest, disqualification for particular assignments, reassignment, or disciplinary action.
- (e) The employee concerned will have a reasonable opportunity during any investigation and at all levels of consideration of his problem to present in person and through documents his position on the matter.

## **PART F: STANDARDS OF CONDUCT FOR SPECIAL GOVERNMENT EMPLOYEES**

### **600 SCOPE**

This part:

- (a) Provides guidance with respect to the application of the conflict of interest statutes to special Government employees (as defined in paragraph 601); it is of particular applicability to advisers, consultants and experts.
- (b) Sets forth the standards of ethical conduct which, under Presidential Order and regulations of the Civil Service Commission, special Government employees are expected to observe.

### **601 DEFINITIONS**

#### **(a) SPECIAL GOVERNMENT EMPLOYEE**

A special Government employee is defined, under title 18 U.S. Code, Section 202, and for the purposes of this part, as an officer or employee who is retained, designated, appointed, or employed to perform, with or without compensation, temporary duties, either on a full time or intermittent basis, for not to exceed 130 days during any period of 365 consecutive days (see paragraph 602).

#### **(b) PARTICULAR MATTER**

The term "particular matter" is not defined in the statutes, but is used in context as follows: ". . .any proceeding, application, request for a ruling or other determination, contract, claim, controversy, charge, accusation, arrest, or other particular matter."

#### **(c) PERSONALLY AND SUBSTANTIALLY**

The term "personally and substantially" is not defined in the statutes, but is used in context as follows: ". . .personally and substantially, . . .through decision, approval,

disapproval, recommendation, the rendering of advice, investigation, or otherwise . . ."

**(d) OFFICIAL RESPONSIBILITY**

The term "official responsibility" is defined by statute to mean the "direct administrative or operating authority, whether intermediate or final, and either exercisable alone or with others, and either personally or through subordinates, to approve, disapprove, or otherwise direct Government action." NASA advisers, consultants or experts will not normally exercise official responsibility in connection with any matters.

## **602 APPLICABILITY**

- (a) This part is applicable to all NASA employees who are classified as special Government employees. It is of particular applicability to NASA advisers, consultants and experts who normally fall within the definition of the term "special Government employee."
- (b) To the extent that the conflict of interest statutes apply to a special Government employee, they apply to his activities on all days during the period of his NASA appointment, beginning with the date on which he takes an oath of office as a Government employee, whether he works on a full time or intermittent basis. Similarly, the ethical standards prescribed in this part apply to the special Government employee during the full period of his appointment as an employee, and not merely on the days on which he performs services as an employee.
- (c) NASA employees, including advisers, consultants and experts, who are appointed to serve for more than 130 days during a period of 365 consecutive days are not subject to this part, even though they may in fact work 130 days or less, but are subject to Parts A through E, prescribing standards of conduct for regular Government employees.

## **603 APPLICATION OF CONFLICT OF INTEREST STATUTES**

The so-called "conflict-of-interest" statutes (18 U.S. Code, Sections 203, 205, 207, 208, and 209) are criminal statutes which provide for fines or imprisonment if they are violated. Their full text

is set forth in Appendix E. In summary, they apply to the special Government employee as follows:

- (a) 18 U.S.C. 203 and 205 apply to the special Government employee in his capacity as a private individual while serving also as a Government employee. They provide that the special Government employee may not, except in the discharge of his Government duties:
  - (1) Represent anyone else before a court or any Government agency in relation to a "particular matter" (paragraph 601(b)) involving a specific party or parties in which the United States is a party or has a direct and substantial interest and in which he has at any time participated "personally and substantially" (paragraph 601(c)) either as a special or regular Government employee.
  - (2) Represent anyone else before a court or any Government agency in relation to a "particular matter" (paragraph 601(b)) involving a specific party or parties which is pending within NASA, if he has served as a NASA employee for more than 60 days during the preceding 365 days. The special Government employee is bound by this restraint whether or not he has acted "personally and substantially" (paragraph 601(c)) in relation to the "particular matter."

There are four exceptions from the application of one or both of the foregoing prohibitions, which are specified in the full text of Section 205 (Appendix E).

- (b) 18 U.S.C. 207 applies to the special Government employee in his capacity as a private individual, after he has terminated his service as a Government employee. It provides that the former employee may not:
  - (1) At any time after his Government employment has ended, represent anyone else before a court or any Government agency in relation to a "particular matter" (paragraph 601(b)) involving a specific party or parties, in which the United States is a party or has a direct and substantial interest and in which he participated "personally and substantially" (paragraph 601(c)), either as a special or regular Government employee.



- (2) Within one year after his Government employment has ended, appear personally before a court or any Government agency in relation to a "particular matter" (paragraph 601(b)) involving a specific party or parties in which the United States is a party or has a direct and substantial interest, and which was under his "official responsibility" (paragraph 601(d)) as a Government employee within a period of one year prior to the termination of such responsibility. The prohibition applies whether or not the special Government employee participated "personally and substantially" (paragraph 601(c)) in the "particular matter" (paragraph 601(b)) while he was employed.
- (c) 18 U.S.C. 207(c) applies to the partner of a special Government employee. It provides that during the period of the special Government employee's appointment, his partner may not act as agent or attorney for anyone else in relation to a "particular matter" (paragraph 601(b)) in which the United States is a party or has a direct and substantial interest, and in which the employee is participating or has participated "personally and substantially" (paragraph 601(c)) as a special Government employee, or which is under the employee's "official responsibility" (paragraph 601(d)).
- (d) (1) 18 U.S.C. 208 applies to the special Government employee, when he is acting in his capacity as a Government employee. It provides that the special Government employee may not, in his government capacity, participate "personally and substantially" (paragraph 601(c)) in any "particular matter" (paragraph 601(b)) in relation to which matter, to his knowledge, he, his spouse, minor child, partner, organization in which he is serving as officer, director, trustee, partner or employee, or any person or organization with whom he is negotiating or has any arrangement concerning prospective employment, has a financial interest.
- (2) The statute also provides for two types of exemptions to be granted from the foregoing prohibition, so as to permit a special Government employee to participate "personally and substantially" (paragraph 601(c)) in a "particular matter" (paragraph 601(b)), notwithstanding the

existence of a conflicting financial interest which he holds directly or that is imputed to him. These exemptions are:

- (i) In connection with specific matters, if the special Government employee's financial interest is not so substantial as to be deemed likely to affect the integrity of the services which the Government may expect from him an ad-hoc exemption from the application of the statutory prohibition may be granted, in advance of his acting in relation to that matter, by the NASA official responsible for his appointment as a special Government employee.
  - (ii) A general exemption, applicable to all NASA employees including special Government employees, of certain financial interests which have been determined to be too remote or too inconsequential to affect the integrity of an employee's services in any matter in which he may be called upon to participate may also be granted. The categories of financial interests which have been exempted by the Administrator under this general authority are set forth in Appendix F.
- (e) 18 U.S.C. 209, the fifth "conflict-of-interest" statute, does not apply to special Government employees.

## 604 OTHER STATUTES

- (a) There are many other criminal statutes which are especially aimed at regulating the conduct of Government employees and which, therefore, apply to special Government employees. Two such statutes which are closely related to the conflict-of-interest statutes are:

### (1) BRIBERY

18 U.S.C. 201 prohibits a Government employee from soliciting, receiving or agreeing to receive, directly or indirectly, anything of value for himself or others in connection with the performance of his official duties, or in return for committing or aiding in the commission of a fraud on the United States.

(2) DISCLOSURE OF PRIVATE OR PROPRIETARY INFORMATION

18 U.S.C. 1905 prohibits a Government employee from disclosing, in any manner and to any extent not authorized by law, any information coming to him in the course of his employment or official duties which concerns or relates to the trade secrets, processes, operations, style of work, or apparatus, or to the identity, confidential statistical data, amount or source of any income, profits, losses or expenditures of any person, business entity, or association.

- (b) Regulations of the Civil Service Commission require that certain other statutes pertaining to the ethical and other conduct of special Government employees be brought to the attention of all such employees. These are listed in Appendix G.

## 605 STANDARDS OF ETHICAL CONDUCT

Under Presidential Order and regulations of the Civil Service Commission, certain additional standards of ethical conduct have been prescribed for all Government employees. Among these the following are applicable to special Government employees:

(a) USE OF GOVERNMENT EMPLOYMENT

A special Government employee may not use his Government employment for a purpose that is, or gives the appearance of being, motivated by the desire for private gain for himself or another person, particularly one with whom he has family, business, or financial ties.

(b) USE OF INSIDE INFORMATION

A special Government employee shall not use inside information obtained as a result of his Government employment for private gain for himself or another person either by direct action on his part or by counsel, recommendation, or suggestion to another person, particularly one with whom he has family, business, or financial ties. In this context, "inside information" means information obtained as a result of his Government employment which has not

been made available to the general public or would not be made available on request. However, nonpublic information may be used upon a written determination made by the Administrator that such use would be in the public interest.

(c) AVOIDANCE OF ACTIONS WHICH MAY APPEAR COERCIVE

A special Government employee should not use his Government employment to coerce, or give the appearance of coercing, a person to provide financial benefit to himself or another person, particularly one with whom he has family, business, or financial ties.

(d) ACCEPTANCE OF GIFTS, ENTERTAINMENT OR FAVORS

(1) Except as provided in subparagraph (2), a special Government employee should not solicit or receive from a person, organization or group having business with NASA, any gift, gratuity, entertainment (including meals), favors, loan, or other things of monetary value, for himself or for another person, particularly one with whom he has family, business or financial ties. This rule does not apply if the special Government employee is unaware of such business.

(2) The following are exceptions to the general rule set forth in subparagraph (1):

- (i) Receipt of salary, bonuses, or other compensation or emoluments from his non-Government employer or employers.
- (ii) Acceptance of food and refreshments of nominal value on infrequent occasions in the ordinary course of a luncheon, dinner, or other meeting.
- (iii) Acceptance of modest entertainment, such as a meal or refreshments, in connection with attendance at widely attended gatherings sponsored by industrial, technical, or professional associations, or at public ceremonies or similar activities financed by non-governmental sources where the special Government employee's participation on behalf of NASA is the

result of an invitation addressed to him in his official capacity and approved as a part of his official duties, and the entertainment accepted is related to, and in keeping with, his official participation.

- (iv) Acceptance of gifts, favors or entertainment, where there is an obvious family or personal relationship between the employee, or between his spouse, children or parents, and the donor, and where the circumstances make it clear that it is that relationship rather than the business of the persons concerned which is the motivating factor for the gift, favor or entertainment.
- (v) 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.
- (vi) Acceptance of unsolicited advertising or promotional material, such as pens, pencils, note pads, calendars or other items of nominal value.
- (vii) Acceptance of incidental transportation in kind from a private organization, provided it is furnished in connection with the performance of the special Government employee's official duties and is of a type customarily provided by the private organization.

## **606 STATEMENT OF EMPLOYMENT AND FINANCIAL INTERESTS**

- (a) Under Presidential Order and regulations of the Civil Service Commission, each special Government employee is required to submit a statement of his employment and financial interests at the time of his initial appointment except to the extent that such requirement has been waived by the Administrator, as specified in subparagraph (f).
- (b) The purpose of the statement of employment and financial interest is to assist the employee, and those who review his statement, in avoiding situations where a conflicting financial interest might exist. The statement will be treated by

---

NASA as private information of the employee and will be held in confidence. It will be reviewed only by those NASA employees who have been designated by the Administrator to make such a review. Information contained in the statement will not be disclosed outside NASA except as authorized by the Administrator or the Civil Service Commission for good cause shown.

- (c) The submission of a statement of employment and financial interest is not intended to relieve the employee from complying with other applicable provisions of law, Executive Order, or this part. In particular, the employee is not thereby permitted to participate in a matter where such participation is prohibited by 18 U.S.C. 208 (see paragraph 603(d)).
- (d) If there is any change in the special Government employee's statement of employment and financial interests, he is required to submit a supplementary statement at the end of the calendar quarter in which the change occurred. If there are no changes or additions occurring in a quarter, a negative report is not required but a supplementary statement, negative or otherwise, is required to be submitted as of June 30th of each year during which the special Government employee's appointment continues.
- (e) The statement of employment and financial interests will be filed on NASA Form 1271 (as prescribed by the Civil Service Commission) which describes the information to be furnished. The special Government employee is not required to submit any information relating to his connection with, or interest in, a professional society, fraternal, recreational, public service, civic, or political organization, or a similar organization not conducted as a business enterprise. In this connection, however, educational and other institutions doing research and development or related work involving grants of money from or contracts with the Government are deemed to be "business enterprises." Information relating to such institutions, where relevant, should therefore be included in a special Government employee's statement of employment and financial interests.
- (f) The Administrator of NASA has determined that the following categories of special Government employees who are

not consultants or experts as defined in Chapter 304 of the Federal Personnel Manual will not be required to file statements of financial interests and other employment because their duties are of a nature and at such a level of responsibility that the submission of a statement by them is not necessary to protect the integrity of the Government:

- (1) Temporary and summer employees below the grade of GS-13.
- (2) Employees participating in a management intern or other training program.

### **607 ADVISORY SERVICE**

Special Government employees who desire assistance or advice on interpreting the provisions of this part, or on other matters relating to the subject matter covered herein, are invited to consult the Agency Counselor (the NASA General Counsel) at Washington, D.C., or a Deputy Counselor (Legal) at a NASA field installation, or a Deputy Counselor (Personnel) (personnel officer at Headquarters or the field installation).

### **608 REVIEW, ENFORCEMENT, REPORTING AND INVESTIGATION**

- (a) Each statement of employment and financial interest submitted under this regulation shall be reviewed by the appropriate Deputy Counselor (Legal). If that review discloses a conflict of interest or apparent conflict of interest the employee shall be given an opportunity to explain the conflict or apparent conflict, and every effort shall be made to resolve the matter. If the matter cannot be resolved at a lower level, it shall be reported to the Agency Counselor. If the Agency Counselor decides that remedial action is necessary, he shall take such action immediately to end the conflict or apparent conflict of interest.
- (b) NASA employees should consult with their Deputy Counselors with regard to any questions concerning this regulation. Resolution of problems disclosed by such consultations will be accomplished at the lowest possible supervisory level in the agency through counseling or by taking administrative action to eliminate real or apparent conflicts of

---

interest. The services of the NASA Inspections Division will be requested by the Deputy Counselor, when necessary, to conduct investigations to ascertain all relevant facts.

- (c) A violation of the regulations contained in this part may be cause for appropriate disciplinary action. All disciplinary or remedial action taken hereunder will be in conformance with applicable laws, Executive Orders, Civil Service Commission regulations and NASA regulations. Appropriate disciplinary or remedial action includes, but is not limited to, divestiture by the employee of his conflicting interest, disqualification for particular assignments, reassignment, or disciplinary action.
- (d) The special Government employee concerned will have a reasonable opportunity during any investigation and at all levels of consideration of his problem to present in person and through documents his position on the matter.



**APPENDIX A: PROCEDURES FOR PERMISSION  
TO ENGAGE IN OUTSIDE EMPLOYMENT**  
(see paragraph 308)

1. FORM AND CONTENT OF REQUEST

A request for administrative approval of outside work shall be in writing and show:

- a. Employee's name, occupational title, and Federal salary.
- b. Nature of the activity: full description of specific duties or services to be performed.
- c. Name and business of person or organization for which the work will be done. (In the case of self-employment in a professional capacity serving a large number of individuals, instead of listing each client and the fees paid, the type of services to be rendered and estimate of the total number of clients anticipated during the next six months will be indicated.)
- d. Estimated total time that will be devoted to the activity. (If on a continuing basis, the estimated time per year; if not, the anticipated ending date.)
- e. Whether service can be performed entirely outside of usual duty hours; if not, estimated number of hours of absence from work that will be required.
- f. Method or basis of compensation (e.g., whether fee basis, per diem, or per annum) and rate or amount of compensation estimated for a specified period.

2. ROUTING

The request for approval will be submitted (in duplicate) to the appropriate Official-in-Charge of the Headquarters Administrator, Program or Staff Office or to the Director of the Field Installation or to the persons designated to act for them.

Employees will be notified in writing of the actions taken on their requests. All approved requests (or copies of such requests) and two copies of the notification of the approval action will be maintained in the local Personnel Office as follows:

- a. A special file on outside employment, separated by title of types of employment.
- b. A copy in the personnel folder of the employee concerned.

3. KEEPING RECORD UP TO DATE

When the fee or rate of compensation of an employee's approved outside work increases, or there is a change in the nature or scope of the duties or services performed or the nature of his employer's business, the employee will submit promptly a revised request. If the outside work is discontinued sooner than anticipated (not merely suspended temporarily), he will notify the officer who approved the request.

4. ANNUAL REPORT

Annually, the approving official will require a report from each person for whom outside work has been approved. The report will indicate:

- a. Whether the anticipated work was actually performed for the person or organization named in the request for approval.
- b. Actual amount of time spent on the activity.
- c. Actual compensation received.
- d. Whether any change is anticipated with respect to information supplied in accordance with paragraph 1 and on which the approval was based.

5. ENFORCEMENT

Failure to request administrative approval for outside work for which approval is required is ground for disciplinary action.

6. CONFIDENTIALITY OF REQUESTS

All requests will be treated as confidential and made available only to specifically authorized persons. In accordance with Civil Service Commission requirements, an appropriate record will be made in the official personnel folder of an employee for whom a decision is made that a proposed teaching activity is not in conflict with Executive Order 9367.

## APPENDIX B: WAIVER PROCEDURES (see paragraph 403)

1. Employees appointed under authority of Section 203(b)(2)(A) ("NASA Excepted Positions") or Section 203(b)(10) ("Alien Scientists") of the National Aeronautics and Space Act of 1958 (42 U.S.C. 2473(b)(2)(A) and 2473(b)(10); or under 10 U.S.C. 1581(a) ("P.L. 313 Scientists").
  - a. The employee will address a written request for a waiver to the Administrator. The request will describe the specific matter involved, the nature and extent of the employee's participation therein, and the exact nature and amount of the financial interest relating to the specific matter.
  - b. The employee, if stationed at NASA Headquarters, will forward his request to the Administrator via the Official-in-Charge of the Administrator, Program or Staff Office in which the employee is located. The official will transmit the request with his comments and recommendations on the proposed waiver to the Administrator.
  - c. The employee, if stationed at a NASA field installation, will forward his request to the Administrator via the Director of the Field Installation. The Director will transmit the request with his comments and recommendations on the proposed waiver to the Administrator.
  - d. The determination required by the statute will be made only by the Administrator or Deputy Administrator in the case of employees holding appointments under the statutes cited at paragraph 1 of this Appendix.
2. ALL OTHER EMPLOYEES
  - a. Headquarters
    - (1) All other NASA employees and civilian and military personnel of other Government agencies regularly detailed to NASA, stationed at NASA Headquarters, will forward

their requests for a waiver to the Official-in-Charge of the Administrator, Program or Staff Office in which the employee is located. The waiver request will contain the same information required in paragraph 1a of this Appendix. The official will transmit the request with his comments and recommendations on the proposed waiver to the Assistant Administrator for Administration.

- (2) The Assistant Administrator for Administration is authorized to make the determination required by the statute. This authority may not be redelegated.

b. Field Installations

- (1) All other NASA employees and civilian and military personnel of other Government agencies regularly detailed to NASA, stationed at a field installation will forward their requests for a waiver to the Director of the installation, via the head of the major organizational component in which the employee is located. The waiver request will contain the same information required in paragraph 1a of this Appendix. The head of the major organizational component will transmit the request to the Director of the field installation with his comments and recommendations on the proposed waiver.
- (2) The Directors and Deputy or Associate Directors of NASA Field Installations are authorized to make the determination required by the statute. This authority may not be redelegated. An information copy of each such determination or of the disapproval of the employee's request will be forwarded to the Assistant Administrator for Administration, NASA Headquarters.

**APPENDIX C: CATEGORIES OF FINANCIAL  
INTERESTS EXEMPTED FROM THE  
PROHIBITION OF 18 U.S.C. 208 (a)**  
(see paragraph 403)

1. The following exemptions apply to financial interests which are held directly by a NASA employee or his spouse or minor child, whether jointly or individually, or by a NASA employee and his partner or partners as joint assets of the partnership:
  - a. Ownership of bonds other than corporate bonds, regardless of the value of such interest. This exemption extends also to any financial interests that the organization whose bonds are so owned may have in other business entities.
  - b. Ownership of shares in a mutual fund, regardless of the value of such interest. This exemption extends also to any financial interests that the mutual fund may have in other business entities.
2. If a NASA employee or his spouse or minor child has a present beneficial interest or a vested remainder interest under a trust, the ownership under the trust of shares in a mutual fund will be exempt regardless of the value of such interest. This exemption extends also to any financial interests that the mutual fund may have in other business entities.
3. If a NASA employee is an officer, director, trustee, or employee of an educational institution, or if he is negotiating for, or has an arrangement concerning prospective employment with such an institution, a direct financial interest which the institution has in any matter will not itself be exempt, but any financial interests that the institution may have in the matter through its holdings of securities issued by business entities will be exempt, provided the NASA employee is not serving as a member of the investment committee of the institution or is not otherwise advising it on its investment portfolio.
4. If a NASA employee has continued to participate in a bona fide pension, retirement, group life, health or accident insurance

plan, or other employee welfare or benefit plan that is maintained by a business or nonprofit organization of which he is a former employee, his financial interest in that organization will be exempt, except to the extent that the welfare or benefit plan is a profit-sharing or stock-bonus plan. This exemption extends also to any financial interests that the organization may have in other business activities.

**APPENDIX D: PROCEDURES FOR FILING  
FINANCIAL INTEREST STATEMENTS  
(see paragraph 404)**

1. TIME AND PLACE:

a. Each employee required to file a statement under Part D will obtain NASA Form 1270 from the local personnel office and after completing the form will submit it to the local personnel officer as follows:

- (1) Ninety days after the effective date of this regulation if employed on or before the effective date; or
- (2) Thirty days after entrance on duty but not earlier than 90 days after the effective date of this regulation.
- (3) Ten days after his position is specifically identified as one requiring the incumbent thereof to file a financial statement under paragraph 404(a)(5).
- (4) After selection and at least five days before service on the boards or committees listed in paragraph 404(a)(4).

2. Changes in, or additions to, the information contained in an employee's statement of employment and financial interests shall be reported in a supplementary statement at the end of the quarter in which the changes occur. Quarters end March 31, June 30, September 30, and December 31. If there are no changes or additions in a quarter, a negative report is not required. However, for the purpose of annual review, a supplementary statement, negative or otherwise, is required as of June 30 each year.

3. Interests of employee's relatives: For purposes of this reporting requirement, the interest of a spouse, minor child, or other member of an employee's immediate household is considered to be an interest of the employee. "Members of an employee's immediate household" means those blood relations who are residents of the employee's household.

4. INFORMATION NOT KNOWN BY EMPLOYEES;

If any information required to be included on a statement of employment and financial interests or supplementary statement, including holdings placed in trust, is not known to the employee but is known to another person, the employee shall request that other person to submit the information in his behalf. The employee concerned should avoid gaining knowledge about such interests in order to prevent the possibility of invoking 18 U.S.C. 208.



## APPENDIX E: CONFLICT OF INTEREST STATUTES (see paragraph 603)

### 18 U.S.C. 203. Compensation to Members of Congress, Officers, and Others in Matters Affecting the Government

(a) Whoever, otherwise than as provided by law for the proper discharge of official duties, directly or indirectly receives or agrees to receive, or asks, demands, solicits, or seeks, any compensation for any services rendered or to be rendered either by himself or another--

(1) at a time when he is a Member of Congress, Member of Congress Elect, Resident Commissioner, or Resident Commissioner Elect; or

(2) at a time when he is an officer or employee of the United States in the executive, legislative, or judicial branch of the Government, or in any agency of the United States, including the District of Columbia, in relation to any proceeding, application, request for a ruling or other determination, contract, claim, controversy, charge, accusation, arrest, or other particular matter in which the United States is a party or has a direct and substantial interest, before any department, agency, court-martial, officer, or any civil, military, or naval commission, or

(b) Whoever, knowingly, otherwise than as provided by law for the proper discharge of official duties, directly or indirectly gives, promises, or offers any compensation for any such services rendered or to be rendered at a time when the person to whom the compensation is given, promised, or offered, is or was such a Member, Commissioner, officer or employee--

Shall be fined not more than \$10,000 or imprisoned for not more than two years, or both; and shall be incapable of holding any office of honor, trust, or profit under the United States.

- (c) A special Government employee shall be subject to subsection (a) only in relation to a particular matter involving a specific party or parties (1) in which he has at any time participated personally and substantially as a Government employee or as a special Government employee through decision, approval, disapproval, recommendation, the rendering of advice, investigation or otherwise, or (2) which is pending in the department or agency of the Government in which he is serving: Provided, That clause (2) shall not apply in the case of a special Government employee who has served in such department or agency no more than sixty days during the immediately preceding period of three hundred and sixty-five consecutive days.

18 U.S.C. 205. Activities of Officers and Employees in Claims Against and Other Matters Affecting the Government

Whoever, being an officer or employee of the United States in the executive, legislative, or judicial branch of the Government or in any agency of the United States, including the District of Columbia, otherwise than in the proper discharge of his official duties--

- (1) acts as agent or attorney for prosecuting any claim against the United States, or receives any gratuity, or any share of or interest in any such claim in consideration of assistance in the prosecution of such claim, or
- (2) acts as agent or attorney for anyone before any department, agency, court, court-martial, officer, or any civil, military, or naval commission in connection with any proceeding, application, request for a ruling or other determination, contract, claim, controversy, charge, accusation, arrest, or other particular matter in which the United States is a party or has a direct and substantial interest--

Shall be fined not more than \$10,000 or imprisoned for not more than two years, or both.

A special Government employee shall be subject to the preceding paragraphs only in relation to a particular matter involving a specific party or parties (1) in which he has at any time participated personally and substantially as a Government employee or as a special Government employee through decision, approval, disapproval, recommendation, the rendering of advice,

investigation or otherwise, or (2) which is pending in the department or agency of the Government in which he is serving: Provided, That clause (2) shall not apply in the case of a special Government employee who has served in such department or agency no more than sixty days during the immediately preceding period of three hundred and sixty-five consecutive days.

Nothing herein prevents an officer or employee, if not inconsistent with the faithful performance of his duties, from acting without compensation as agent or attorney for any person who is the subject of disciplinary, loyalty, or other personnel administration proceedings in connection with those proceedings.

Nothing herein or in section 203 prevents an officer or employee, including a special Government employee, from acting, with or without compensation, as agent or attorney for his parents, spouse, child, or any person for whom, or for any estate for which, he is serving as guardian, executor, administrator, trustee, or other personal fiduciary except in those matters in which he has participated personally and substantially as a Government employee, through decision, approval, disapproval, recommendation, the rendering of advice, investigation, or otherwise, or which are the subject of his official responsibility, provided that the Government official responsible for appointment to his position approves.

Nothing herein or in section 203 prevents a special Government employee from acting as agent or attorney for another person in the performance of work under a grant by, or a contract with or for the benefit of, the United States provided that the head of the department or agency concerned with the grant or contract shall certify in writing that the national interest so requires.

Such certification shall be published in the Federal Register.

Nothing herein prevents an officer or employee from giving testimony under oath or from making statements required to be made under penalty for perjury or contempt.

18. U.S.C. 207. Disqualification of Former Officers and Employees in Matters Connected with Former Duties or Official Responsibilities; Disqualification of Partners

- (a) Whoever, having been an officer or employee of the executive branch of the U.S. Government, of any independent agency of the United States, or of the District of Columbia, including a special Government employee, after his employment has ceased, knowingly acts as agent or attorney for anyone other than the United States in connection with any judicial or other proceeding, application, request for a ruling or other determination, contract, claim, controversy, charge, accusation, arrest, or other particular matter involving a specific party or parties in which the United States is a party or has a direct and substantial interest and in which he participated personally and substantially as an officer or employee, through decision, approval, disapproval, recommendation, the rendering of advice, investigation, or otherwise, while so employed, or
- (b) Whoever, having been so employed, within one year after his employment has ceased, appears personally before any court or department or agency of the Government as agent, or attorney for, anyone other than the United States in connection with any proceeding, application, request for a ruling or other determination, contract, claim, controversy, charge, accusation, arrest, or other particular matter involving a specific party or parties in which the United States is a party or directly and substantially interested, and which was under his official responsibility as an officer or employee of the Government at any time within a period of one year prior to the termination of such responsibility--

Shall be fined not more than \$10,000 or imprisoned for not more than two years, or both; Provided, That nothing in subsection (a) or (b) prevents a former officer or employee, including a former special Government employee, with outstanding scientific or technological qualifications from acting as attorney or agent or appearing personally in connection with a particular matter in a scientific or technological field if the head of the department or agency concerned with the matter shall make a certification in writing, published in the Federal Register, that the national interest would be served by such action or appearance by the former officer or employee.

(c) Whoever, being a partner of an officer or employee of the executive branch of the U.S. Government, of any independent agency of the United States, or of the District of Columbia, including a special Government employee, acts as agent or attorney for anyone other than the United States, in connection with any judicial or other proceeding, application, request for a ruling or other determination, contract, claim, controversy, charge, accusation, arrest, or other particular matter in which the United States is a party or has a direct and substantial interest and in which such officer or employee of the Government or special Government employee participates or has participated personally and substantially as a Government employee through decision, approval, disapproval, recommendation, the rendering of advice, investigation or otherwise, or which is the subject of his official responsibility--

Shall be fined not more than \$5,000, or imprisoned not more than one year, or both.

A partner of a present or former officer or employee of the executive branch of the U.S. Government, of any independent agency of the United States, or of the District of Columbia or of a present or former special Government employee shall as such be subject to the provisions of sections 203, 205, and 207 of this title only as expressly provided in subsection (c) of this section.

#### 18 U.S.C. 208, Acts Affecting a Personal Financial Interest

(a) Except as permitted by subsection (b) hereof, whoever, being an officer or employee of the executive branch of the U.S. Government, of any independent agency of the United States, or of the District of Columbia, including a special Government employee, participates personally and substantially as a Government officer or employee, through decision, approval, disapproval, recommendation, the rendering of advice, investigation, or otherwise, in a judicial or other proceeding, application, request for a ruling or other determination, contract, claim, controversy, charge, accusation, arrest, or other particular matter in which, to his knowledge, he, his spouse, minor child, partner, organization in which he is serving as officer, director, trustee, partner or employee, or any person or organization with

## Appendix E

---

whom he is negotiating or has any arrangement concerning prospective employment, has a financial interest--

Shall be fined not more than \$10,000, or imprisoned not more than two years, or both.

- (b) Subsection (a) hereof shall not apply (1) if the officer or employee first advises the Government official responsible for appointment to his position of the nature and circumstances of the judicial or other proceeding, application, request for a ruling or other determination, contract, claim, controversy, charge, accusation, arrest, or other particular matter and makes full disclosure of the financial interest and receives in advance a written determination made by such official that the interest is not so substantial as to be deemed likely to affect the integrity of the services which the Government may expect from such officer or employee, or (2) if, by general rule or regulation published in the Federal Register, the financial interest has been exempted from the requirements of clause (1) hereof as being too remote or too inconsequential to affect the integrity of Government officers' or employees' services.

**APPENDIX F: CATEGORIES OF FINANCIAL  
INTEREST EXEMPTED FROM THE PROHIBITION  
OF 18 U.S.C. 208(a) (see paragraph 603)**

1. The following exemptions apply to financial interests which are held directly by a NASA employee, including a special Government employee, or his spouse or minor child, whether jointly or individually, or by a NASA employee and his partner or partners as joint assets of the partnership:
  - a. Ownership of bonds other than corporate bonds, regardless of the value of such interest. This exemption extends also to any financial interests that the organization whose bonds are so owned may have in other business entities.
  - b. Ownership of shares in a mutual fund, regardless of the value of such interest. This exemption extends also to any financial interests that the mutual fund may have in other business entities.
2. If a NASA employee, including a special Government employee, or his spouse or minor child has a present beneficial interest or a vested remainder interest under a trust, the ownership under the trust of shares in a mutual fund will be exempt, regardless of the value of such interest. This exemption extends also to any financial interests that the mutual fund may have in other business entities.
3. If a NASA employee, including a special Government employee, is an officer, director, trustee, or employee of an educational institution, or if he is negotiating for, or has an arrangement concerning prospective employment with such an institution, a direct financial interest which the institution has in any matter will not itself be exempt, but any financial interests that the institution may have in the matter through its holdings or securities issued by business entities will exempt, provided the NASA employee is not serving as a member of the investment committee of the institution or is not otherwise advising it on its investment portfolio.

4. If a NASA employee, including a special Government employee, has continued to participate in a bona fide pension, retirement, group life, health or accident insurance plan, or other employee welfare or benefit plan that is maintained by a business or non-profit organization of which he is a former employee, his financial interest in that organization will be exempt, except to the extent that the welfare or benefit plan is a profit-sharing or stock-bonus plan. This exemption extends also to any financial interests that the organization may have in other business entities.



## APPENDIX G: MISCELLANEOUS STATUTORY PROVISIONS (see paragraph 604)

1. House Concurrent Resolution 175, 85th Congress, 2d Session, 72 Stat. B12, the "Code of Ethics for Government Service."
2. Chapter 11 of Title 18, United States Code, relating to bribery, graft, and conflicts of interest, as appropriate to the employees concerned.
3. The prohibition against lobbying with appropriated funds (18 U.S.C. 1913).
4. The prohibitions against disloyalty and striking (5 U.S.C. 118p, 118r).
5. The prohibition against the employment of a member of a Communist organization (50 U.S.C. 784).
6. The prohibitions against (1) the disclosure of classified information (18 U.S.C. 798, 50 U.S.C. 783); and (2) the disclosure of private or proprietary information (18 U.S.C. 1905).
7. The provision relating to the habitual use of intoxicants to excess (5 U.S.C. 640).
8. The prohibition against the misuse of a Government motor vehicle or aircraft (5 U.S.C. 78(c)).
9. The prohibition against the misuse of the franking privilege (18 U.S.C. 1719).
10. The prohibition against the use of deceit in an examination or personnel action in connection with Government employment (5 U.S.C. 637).
11. The prohibition against fraud or false statements in a Government matter (18 U.S.C. 1001).
12. The prohibition against mutilating or destroying a public record (18 U.S.C. 2071).

13. The prohibition against counterfeiting and forging transportation requests (18 U.S.C. 508).
14. The prohibitions against (1) embezzlement of Government money or property (18 U.S.C. 641); (2) failing to account for public money (18 U.S.C. 643); and (3) embezzlement of the money or property of another person in the possession of an employee by reason of his employment (18 U.S.C. 654).
15. The prohibition against unauthorized use of documents relating to claims from or by the Government (18 U.S.C. 285).
16. The prohibition against proscribed political activities - The Hatch Act (5 U.S.C. 118i, and 18 U.S.C. 602, 603, 607, and 608).