

§ 305.5

another culture, and to interact and communicate with other people regardless of cultural, social, and economic differences.

(d) *Skills.* By the end of training, in addition to the attributes mentioned above, a Trainee must demonstrate competence in the following areas:

(1) *Language.* The ability to communicate in the language of the country of service with the fluency required to meet the needs of the overseas assignment.

(2) *Technical competence.* Proficiency in the technical skills needed to carry out the assignment.

(3) *Knowledge.* Adequate knowledge of the culture and history of the country of assignment to ensure a successful adjustment to, and acceptance by, the host country society. The Trainee must also have an awareness of the history and government of the United States which qualifies the individual to represent the United States abroad.

(e) *Failure to meet standards.* Failure to meet any of the selection standards by the completion of training may be grounds for deselection and disqualification from Peace Corps service.

§305.5 Procedures.

Procedures for filing, investigating, and determining allegations of discrimination on the basis of race, color, national origin, religion, age, sex, handicap or political affiliation in the application of any provision of this part are contained in MS 293 (45 CFR part 1225).

PART 306—VOLUNTEER DISCRIMINATION COMPLAINT PROCEDURE

CROSS REFERENCE: ACTION regulations concerning the volunteer discrimination complaint procedure, appearing in 45 CFR part 1225, are applicable to Peace Corps volunteers. Part 1225 appears at 46 FR 1609, Jan. 6, 1981.

PART 307—PEACE CORPS STANDARDS OF CONDUCT

Subpart A—General

- Sec.
- 307.735-101 Introduction.
- 307.735-102 Definitions.

22 CFR Ch. III (4-1-98 Edition)

Subpart B—General Conduct and Responsibilities of Employees

- 307.735-201 Proscribed actions—Executive Order 11222.
- 307.735-202 General conduct prejudicial to the Government.
- 307.735-203 Criminal statutory prohibitions—conflict of interest.

Subpart C—Outside Employment, Activities, and Associations

- 307.735-301 In general.
- 307.735-302 Association with potential contractor prior to employment.
- 307.735-303 Association with Peace Corps contractor or potential contractor while an employee.
- 307.735-304 Employment after leaving Peace Corps.
- 307.735-305 Employment with Peace Corps contractor.
- 307.735-306 Association with non-Peace Corps contractor while a Peace Corps employee.
- 307.735-307 Gifts, entertainment, and favors.
- 307.735-308 Economic and financial activities of employees abroad.
- 307.735-309 Information.
- 307.735-310 Speeches and participation in conferences.
- 307.735-311 Partisan political activity.
- 307.735-312 Use of Government property.
- 307.735-313 Indebtedness.
- 307.735-314 Gambling, betting, and lotteries.
- 307.735-315 Discrimination.
- 307.735-316 Related statutes and regulations.

Subpart D—Procedures for Submission by Employees and Review of Statements of Employment and Financial Interests

- 307.735-401 Submission of statements.
- 307.735-402 Review of statements.

AUTHORITY: E.O. 11222 of May 8, 1965, 30 FR 6469, 3 CFR 1964-1965, Supp. 306; 5 CFR part 735.

SOURCE: 52 FR 30151, Aug. 13 1987, unless otherwise noted.

Subpart A—General

§307.735-101 Introduction.

(a) Section 735.101 of title 5 of the Code of Federal Regulations requires each agency head to issue his or her agency regulations regarding the ethical conduct and other responsibilities of all of its employees. All employees are responsible for complying with these regulations. One of the main purposes of the regulations in this part is to encourage individuals faced with

questions involving subjective judgment to seek counsel and guidance. The Designated Agency Ethics Official (DAEO) and Deputy and Alternate DAEO in the Office of General Counsel are designated to be the counselors for Peace Corps with respect to these matters. They will provide authoritative advice and guidance to any Peace Corps employee, former employee, or potential employee who seeks it.

(b) The Peace Corps Committee on Conflict of Interest will review and monitor the Agency's policies and procedures on conflict of interest. The committee shall consist of the General Counsel, the Associate Director for Management, the Director for Compliance, the Director of Contracts, the Associate Director for International Operations, and the Director's designee, who shall be a nonvoting member. Committee membership is not delegable. The Designated and Deputy Agency Ethics Officials shall act as advisors to the Committee and shall record the Committee's decisions. The Committee, by majority vote, shall have the authority to:

(1) Adopt the procedures necessary to insure the implementation of and compliance with the conflict of interest regulations found at §§307.735-301 through 307.735-305.

(2) Issue interpretive opinions or clarifying statements on actual or hypothetical situations involving the provisions of §§307.735-301 through 307.735-305.

(3) Accept and review reports filed under §307.735-302(b).

(4) Grant specific relief from the provisions of §§307.735-303 through 307.735-305 by a majority vote of the committee, if after due consideration the committee finds that:

(i) No actual conflict of interest exists, and

(ii) The purpose of the rule would not be served by its strict application, and

(iii) A substantial inequity would otherwise occur. In each such case the committee shall issue a written decision setting forth its findings as required above. The committee may make any exception subject to such conditions and restrictions as it deems appropriate.

(c) Any violation of the regulations in this part may be cause for remedial or disciplinary action. Remedial action may include changes in assigned duties, disqualification for a particular assignment, divestment of a conflicting interest, and other action as appropriate. Violation of those provisions of the regulations in this part which reflect legal prohibitions may also entail penalties provided by law.

(d) This part applies to all employees of Peace Corps. "Employee" as used in this part includes regular employees, Presidential appointees, "special Government employees," experts and consultants whether employed on a full-time, part-time, or intermittent basis, and Foreign Service National employees (FSNs).

§ 307.735-102 Definitions.

(a) *Special Government employee* as used herein means a person appointed or employed to perform temporary duties for Peace Corps with or without compensation, on a full-time, part-time, or intermittent basis, for not to exceed 130 days during any period of 365 days.

(b) *Regular Government employee* as used herein means any officer or employee other than a Special Government employee.

(c) *Organization* as used herein includes profit and non-profit corporations, associations, partnerships, trusts, sole proprietorships, foundations, individuals and foreign, State and local government units.

(d) *Potential Contractor* means any organization or individual that has submitted a proposal, application, or otherwise indicated in writing its intent to apply for or seek a specific contract or other agreement.

(e) *Associated with* means:

(1) That the person is a director of the organization or is a member of a board or committee which exercises a recommending or supervisory function in connection with a Peace Corps project;

(2) That the person serves as an employee, officer, owner, trustee, partner, consultant, or paid advisor (general membership in an organization is not included within the definition of "associated with"; however, because general

membership in an organization doing business with the Peace Corps can result in problems of the appearance of conflicts of interest, each such general membership should be evaluated by the DAEO);

(3) That the person, his or her spouse, minor child, or other member of his or her immediate household, owns, individually or collectively, any voting shares of an organization;

(4) That the person, his or her spouse, minor child, or other member of his or her immediate household, owns, individually or collectively, either beneficially or as trustee, a financial interest in an organization through stock, stock options, bonds, or other securities, or obligations; or

(5) That a person has a continuing financial interest in an organization, such as a bona fide pension plan, valued at \$10,000 or more, through an arrangement resulting from prior employment or business or professional association; or

(6) That the person's spouse or other member of his or her immediate household has a personal or nonpersonal services contract or is employed by a Peace Corps contractor and assigned to a Peace Corps contract.

In accordance with the provisions of 18 U.S.C. 208(b) (1) and (2), the DAEO may determine that a financial interest under (e)(3) or (4) of this section is not so substantial as to affect the integrity of the employee's services, or make a blanket determination by a general rule published in the FEDERAL REGISTER that certain classes of holdings are too remote or inconsequential to affect the integrity of the employee's services.

The term *associated with* does not include an indirect interest, such as ownership of shares in a diversified mutual fund, bank or insurance company, which in turn owns an interest in an organization which has, or is seeking or is under consideration for a contract or other agreement. Such an "indirect" interest is hereby determined pursuant to 18 U.S.C. 208(b)(2) to be too remote to affect the integrity of the employee's services.

Subpart B—General Conduct and Responsibilities of Employees

§ 307.735–201 Proscribed actions—Executive Order 11222.

As provided by the President in Executive Order No. 11222, whether specifically prohibited by law or in the regulations in this part, no U.S. regular or special Government employees shall take any action which might result in, or create the appearance of:

(a) Using public office or employment for private gain, whether for themselves or for another person, particularly one with whom they have family, business, or financial ties.

(b) Giving preferential treatment to any person.

(c) Impeding Government efficiency or economy.

(d) Losing complete independence or impartiality.

(e) Making a Government decision outside official channels.

(f) Affecting adversely the confidence of the public in the integrity of the Government.

(g) Using Government office or employment to coerce a person to provide financial benefit to themselves or to other persons, particularly anyone with whom they have family, business or financial ties.

§ 307.735–202 General conduct prejudicial to the Government.

An employee may not engage in criminal, infamous, dishonest, immoral, or notoriously disgraceful conduct prejudicial to the Government (5 CFR 735.209).

§ 307.735–203 Criminal statutory prohibitions: Conflict of interest.

(a) *Regular Government employees.* Regular employees of the Government are subject to the following major criminal prohibitions:

(1) They may not, except in the discharge of their official duties, represent anyone else before a court or Government agency in a matter in which the United States is a party or has an interest. This prohibition applies to both paid and unpaid representation of another (18 U.S.C. 203 and 205).

(2) They may not participate in their governmental capacity in any matter in which they, their spouse, minor child, outside business associate, or persons with whom they are negotiating for employment have a financial interest (18 U.S.C. 208). This restriction shall not apply if an employee advises the official responsible for appointment to his or her position of the nature and circumstances of the matter, fully discloses the financial interest, and receives in advance from the appointing official a written determination that the interest is not so substantial as to affect the integrity of the Peace Corps.

(3) They may not, after Government employment has ended, represent anyone other than the United States in connection with a particular matter in which the United States is a party or has an interest and in which they participated personally and substantially for the Government (18 U.S.C. 207).

(4) They may not for 2 years after their Government employment has ended, represent anyone other than the United States in connection with a matter in which the United States is a party or has an interest and which was within the boundaries of their official responsibility during their last year of Government service. This temporary restraint gives way to the permanent restraint described in paragraph (a)(3) of this section if the matter is one in which the employee participated personally and substantially (18 U.S.C. 207).

(5) They may not receive any salary, or supplementation of their Government salary, from a private source as compensation for services to the Government (18 U.S.C. 209).

(b) *Special Government employees.* Special Government employees are subject to the following major criminal prohibitions:

(1) They may not, except in the discharge of official duties, represent anyone else before a court or Government agency in a matter in which the United States is a party or has an interest and in which they have at any time participated personally and substantially for the Government (18 U.S.C. 203 and 205).

(2) They may not, except in the discharge of official duties, represent any-

one else in a matter pending before the agency they serve unless they have served there no more than 60 days during the past 365. They are bound by this restraint despite the fact that the matter is not one in which they have ever participated personally and substantially (18 U.S.C. 205). (See §307.735-303(b) for additional nonstatutory Agency restrictions on a special employee representing any other person or organization in a matter pending before the Agency.) The restrictions described in paragraphs (b) (1) and (2) of this section apply to both paid and unpaid representation of another.

(3) They may not participate in their governmental capacity in any matter in which they, their spouse, minor child, outside business associate, or persons with whom they are negotiating for employment have a financial interest (18 U.S.C. 208).

(4) They may not, after their Government employment has ended, represent anyone other than the United States in connection with a particular matter in which the United States is a party or has an interest and in which they participated personally and substantially for the Government (18 U.S.C. 207).

(5) They may not, for 2 years after their Government employment has ended, represent anyone other than the United States in connection with a matter in which the United States is a party or has an interest and which was within the boundaries of their official responsibility during their last year of Government service. This temporary restraint gives way to the permanent restriction described in paragraph (b)(4) of this section if the matter is one in which they participated personally and substantially (18 U.S.C. 207).

(c) *Senior Employees.* Employees in positions for which the basic rate of pay is specified in subchapter II of chapter 53 of title 5, United States Code (Executive Schedule Pay Rates), or a comparable or greater rate of pay under other authority; and employees in positions which involve significant decision-making or supervisory responsibility for which the basic rate of pay is equal to or greater than the basic rate of pay for GS-17 (FE-2), are Senior Employees.

(1) Senior Employees are subject to the criminal conflict-of-interest statutes at 18 U.S.C. 203, 205, 207 (a), (b), and (c), 208 and 209. Within 2 years after his or her employment has ceased, no Senior Employee may knowingly represent or aid, counsel, advise, consult, or assist in representing any other person (except the United States) by personal presence at any formal or informal appearance before:

(i) Any department, agency, or court, or any officer or employee thereof,

(ii) In connection with any judicial or other proceeding, application, request for a ruling or other determination, contract, claim, controversy, investigation, charge, accusation, or other particular matter involving a specific party or parties in which the United States or the District of Columbia is a party or has a direct and substantial interest, and

(iii) In which he or she participated personally and substantially as an officer or employee.

(2) Any Senior Employee, other than a special Government employee who serves for less than 60 days in a calendar year, who, within one year after his or her employment has ceased, knowingly acts as an agent or attorney for, or otherwise represents, anyone other than the United States in any formal or informal appearance before, or, with the intent to influence, makes any oral or written communication on behalf of anyone other than the United States, to

(i) The Peace Corps, or any of its officers or employees,

(ii) In connection with any judicial, rulemaking, or other proceeding, application, request for a ruling or other determination, contract, claim, controversy, investigation, charge, accusation, or other particular matter, and

(iii) Which is pending before the Peace Corps or in which the Peace Corps has a direct and substantial interest shall be fined not more than \$10,000, or imprisoned for not more than 2 years, or both.

Subpart C—Outside Employment, Activities, and Associations

§ 307.735-301 In general.

(a) There is no general prohibition against Peace Corps employees holding outside employment, including teaching, lecturing, or writing, but no employee may engage in outside employment or associations if they might result in a conflict or an appearance of conflict between the private interests of the employee and his or her official responsibility. As provided in 5 CFR 735.203(a), incompatible activities include, but are not limited to, acceptance of a fee or anything of monetary value when acceptance may result in an actual or apparent conflict of interest, and outside employment which tends to impair the employee's mental or physical capacity to perform Government duties and responsibilities in an acceptable manner. Any employee planning to engage in outside employment shall so notify his or her supervisor and the DAEO of the name of the proposed employer and the nature of the proposed duties. The DAEO will acknowledge receipt of this information to the employee and supervisor. If the DAEO believes that the information raises a question of conflict of interest, the DAEO shall submit the information for review and resolution to the Committee on Conflict of Interest in accordance with § 307.735-101.

(b) An employee shall not receive any salary or anything of monetary value from a private source as compensation for his or her services to the Government (18 U.S.C. 209).

(c) An employee shall not have a direct or indirect financial interest that conflicts substantially or appears to conflict substantially with his or her Government duties and responsibilities. Nor may an employee engage in, directly or indirectly, a financial transaction as a result of or primarily relying on information obtained through his or her Government employment.

§ 307.735-302 Association with potential contractor prior to employment.

(a) No employee, or any person subject to his or her supervision, may participate in the decision to award a contract to an organization with which that employee has been associated in the past 2 years. When an employee becomes aware that such an organization is under consideration for or has applied for a contract with the Agency, the employee shall notify his or her immediate supervisor in writing. The supervisor shall take whatever steps are necessary to exclude the employee from all aspects of the decision processes regarding the contract or agreement.

(b) When the Director, Deputy Director, or an Associate Director becomes aware that an organization with which he or she has been associated in the past 2 years is under consideration for or has applied for a contract with the Agency, he or she shall refrain from participating in the decision process and immediately notify the Director of the Office of Compliance, who shall select an independent third party, not in any way connected or associated with the concerned official. The third party shall participate in and review the decision process to the extent he or she deems necessary to insure objectivity and the absence of favoritism. Said third party shall preferably be a person experienced in the area of government contracts. The third party shall file a report in writing with the Committee on Conflict of Interest stating his or her conclusions, observations, or objections, if any, to the decision process concerning the contract or agreement, which document shall be attached to and become a part of the official file.

§ 307.735-303 Association with Peace Corps contractor or potential contractor while an employee.

(a) No regular employee may be associated with any Peace Corps contractor or potential contractor. Any organization that is associated with a regular employee shall be suspended from consideration as a contractor.

(b) No regular or special employee, except in his or her official capacity as a Peace Corps employee, shall either

participate in any way on behalf of any organization in the preparation or development of a contract proposal involving Peace Corps or represent any other organization in a matter pending before Peace Corps. In the event that a regular or special employee participates while an employee of Peace Corps in any aspect of the development of a contract or agreement proposal on behalf of an organization, or represents another organization in a matter pending before Peace Corps, that organization shall be suspended from consideration for the contract or other agreement. If the employee's prohibited participation is discovered after award of the contract, appropriate disciplinary action shall be taken, including, but not limited to, the placement of a letter describing the violation in the employee's official personnel file.

(c) No regular or special employee who, prior to his or her employment at Peace Corps, participated in the development of a contract or other agreement proposal on behalf of another organization, shall participate as a Peace Corps employee in any aspect of the decision process regarding that contract or other agreement, or, if the contract or other agreement is awarded, in any oversight or management capacity in relation to that contract or other agreement. In addition, any such contract or other agreement shall only be awarded through a competitive process. In the event a regular or special employee who participated in the development of the contract or other agreement proposal prior to being employed at Peace Corps does participate as a Peace Corps employee in the decision process for such contract or other agreement, the organization shall be suspended from consideration.

(d) If a special employee participates as an employee of Peace Corps in any aspect of the development of a proposal, whether or not such participation is minimal or substantial, any organization with which he or she is associated shall be suspended from consideration for the contract or other agreement.

(e) If an organization with which a special employee is associated submits a proposal for a contract or other agreement, and the special employee

did not participate either as an employee of Peace Corps or an associate of the organization in any aspect of the proposal or the application therefor, the matter shall be referred to the Committee on Conflict of Interest for determination. The Committee shall consider the following factors and any others it deems relevant:

(1) The nature, length, and origin of the special employee's relationship with the Agency, the nature and scope of the employee's duties and responsibilities, the division or office to which the employee is assigned, and whether the employee's duties are in any way related to the proposed contract or other agreement.

(2) The nature, length, and type of the employee's relationship with the organization, whether the employee's position involves policy making or supervision of other employees and the relationship of the position with the organization to the work to be performed under the proposed contract or other agreement.

(3) Whether awarding the contract or other agreement to the organization would result in the appearance of or the potential for a conflict of interest.

(4) The process to be used in awarding the contract or other agreement.

(f) If a special employee wishes to become or remain associated with a Peace Corps contractor while he or she is an employee of Peace Corps, subject to the restrictions (b) through (e) of § 307.735-303, the matter shall be referred to the Committee on Conflict of Interest for determination. The Committee shall consider the following factors and any others it deems relevant:

(1) The nature, length, and origin of the special employee's relationship with the Agency, the nature and scope of the employee's duties and responsibilities, the division or office to which the employee is assigned, and whether the employee's duties are in any way related to the contract or other agreement.

(2) The nature, length, and type of the employee's relationship with the organization, whether the employee's position involves policymaking or supervision of other employees and the relationship of the position with the organization to the work to be per-

formed under the proposed contract or other agreement.

(3) Whether such a relationship would result in the appearance of or the potential for a conflict of interest.

(g) Any suspension involving proposed contracts under this rule shall be in accordance with procedures set forth in the applicable Federal Acquisition Regulation, FAR 9.4.

§ 307.735-304 Employment after leaving Peace Corps.

(a) Employees may negotiate for prospective employment with non-Federal Government organizations only when they have no duties as Peace Corps employees which could affect that organization's interest, or after they have disqualified themselves, on the written permission of their supervisor, from such duties.

(b) For 1 year after leaving Peace Corps, no regular or special employee may serve pursuant to a personal or nonpersonal services contract or other agreement or accept employment with a Peace Corps contractor for a position in which he or she would be working in any activity supported in whole or in part by Peace Corps funds received under a Peace Corps program which was within the boundaries of the employee's official responsibility or in which he or she participated personally while employed at Peace Corps. This 1-year ban shall not apply to those overseas employees whose positions are converted to personal services contracts at the convenience of the Peace Corps as determined jointly by the Associate Directors for International Operations and Management.

(c) If, within 1 year after leaving Peace Corps, an individual accepts employment in violation of this rule, Peace Corps will disallow the costs allocated under the contract or other agreement for that position. In addition, a letter describing the violation will be placed in the personnel files of the former employee and the requiring office current or former staff member(s) responsible for issuing an individual personal or non-personal services contract.

§ 307.735-305 Employment with Peace Corps contractor.

An employee of a Peace Corps contractor who is compensated directly or indirectly from Peace Corps funds will be ineligible to be compensated under any personal or nonpersonal services contract with this Agency which will result in the employee being paid twice for the same time or product.

§ 307.735-306 Association with non-Peace Corps contractor while a Peace Corps employee.*(a) Teaching, lecturing, and writing—*

(1) *Use of information.* An employee shall not, either for or without compensation, engage in teaching, lecturing, or writing that is dependent on information obtained as a result of his or her Government employment, except when that information has been or on request will be made available to the general public or when the agency head gives advance written authorization for the use of nonpublic information on the basis that the proposed use is in the public interest.

(2) *Compensation.* No employee may accept compensation or anything of value for any lecture, discussion, writing, or appearance, the subject matter of which is devoted substantially to the Peace Corps programs or which draws substantially on official data or ideas which have not become part of the body of public information.

(3) *Clearance of publications.* No employee may submit for publication any writing, other than recruiting information, the contents of which are devoted to the Peace Corps programs or to any other matter which might be of official concern to the U.S. Government without in advance clearing the writing with the Director of Public Affairs. Before clearing any such writing, the Director of Public Affairs will consult with the appropriate Peace Corps office.

(b) *State and local government employment.* Regular employees may not hold office or engage in outside employment under a State or local government except with prior approval of the General Counsel, Peace Corps.

(c) All employees not required by § 307.735-401 to report their outside employment and financial interests shall

inform their supervisors of all outside paid and unpaid employment they hold or accept.

(d) Employees in positions classified at the FP-1 or above levels who intend to engage in outside employment shall notify the DAEO in writing of the nature of their duties and the name and address of the organization for which or the individual for whom they will work. The notification will be made annually by June 30, with additions or deletions submitted as they occur.

§ 307.735-307 Gifts, entertainment, and favors.

(a) *From donors dealing with Peace Corps.* (1) No regular or special employees may solicit or accept, directly or indirectly, for themselves, for any member of their family, or for any person with whom they have business or financial ties, any gift, gratuity, favor, entertainment, or loan or any other thing of value, from any individual or organization which:

(i) Has, or is seeking to obtain, contractual or other business or financial relations with Peace Corps;

(ii) Has interests that may be substantially affected by the performance or nonperformance of the employee's official responsibility;

(iii) It is any way attempting to affect the employee's exercise of his or her official responsibility; or

(iv) Conducts operations or activities that are regulated by Peace Corps.

(2) Paragraph (a)(1) of this section does not prohibit, even if the donor has dealings with Peace Corps:

(i) Acceptance of things of value from parents, children, or spouse if those relationships rather than the business of the donor is the motivating factor for the gift;

(ii) Acceptance of food and refreshments of nominal value on infrequent occasions in the ordinary course of breakfast, luncheon, or dinner meetings or other meetings;

(iii) Solicitation and acceptance of loans from banks or other financial institutions to finance proper and usual activities of employees, such as home mortgage loans, solicited and accepted on customary terms;

(iv) Acceptance on behalf of minor dependents of fellowships, scholarships,

or educational loans awarded on the basis of merit and/or need;

(v) Acceptance of awards for meritorious public contribution or achievement given by a charitable, religious, professional, social, fraternal, non-profit educational and recreational, public service, or civic organization.

(3) Regular or special employees need not return unsolicited advertising or promotional material, such as pens, pencils, note pads, calendars, and other things of nominal intrinsic value.

(b) *From other Peace Corps employees.* No employees in superior official positions may accept any gifts presented as contributions from employees in lower grades. No employees shall solicit contributions from other employees for a gift to an employee in a superior official position, nor shall any employees make a donation as a gift to an employee in a superior official position. However, this paragraph does not prohibit a voluntary gift of nominal value or donation in a nominal amount made on a special occasion such as marriage, illness, or retirement.

(c) *From foreign governments.* No regular employee may solicit or, without the consent of the Congress, receive any present, decoration, emolument, pecuniary favor, office, title, or any other gift from any foreign government. See 5 U.S.C. 7342; Executive Order 11320; and 22 CFR part 3.

(d) *Gifts to Peace Corps.* Gifts to the United States or to Peace Corps may be accepted in accordance with section 10(a)(4) of the Peace Corps Act and Peace Corps Manual section 721.

(e) *Reimbursement for expenses.* Neither this section nor § 307.735-310(a) precludes an employee from receipt of bona fide reimbursement, unless prohibited by law, for expenses of travel and such other necessary subsistence as is compatible with this part and for which no Government payment or reimbursement is made. An employee may personally accept reimbursement from organizations that qualify for tax-deductible contributions under section 501(c)(3) of the Internal Revenue Code. However, this paragraph does not allow an employee to be reimbursed, or payment to be made on his or her behalf, for excessive personal living expenses, gifts, entertainment, or other

personal benefits. Nor does it allow an employee to receive non-Government reimbursement of travel expenses for travel on official business under Peace Corps orders; but rather, such reimbursement, if any, should be made to Peace Corps and amounts received should be credited to its appropriation. If an employee receives accommodations, goods, or services in kind from a non-Government source, this item or items will be treated as a donation to Peace Corps and an appropriate reduction will be made in per diem or other travel expenses payable.

§ 307.735-308 Economic and financial activities of employees abroad.

(a) *Prohibitions in any foreign country.* A U.S. citizen employee abroad is specifically prohibited from engaging in the activities listed below in any foreign country:

(1) Speculation in currency exchange;

(2) Transactions at exchange rates differing from local legally available rates, unless such transactions are duly authorized in advance by the agency;

(3) Sales to unauthorized persons whether at cost or for a profit of currency acquired at preferential rates through diplomatic or other restricted arrangements;

(4) Transactions which entail the use, without official sanction, of the diplomatic pouch;

(5) Transfers of funds on behalf of blocked nationals, or otherwise in violation of U.S. foreign funds and assets control;

(6) Independent and unsanctioned private transactions which involve an employee as an individual in violation of applicable control regulations of foreign governments;

(7) Acting as an intermediary in the transfer of private funds for persons in one country to persons in another country, including the United States;

(8) Permitting use of one's official title in any private business transactions or in advertisements for business purposes.

(b) *Prohibitions in country of assignment.* (1) A U.S. citizen employee shall not transact or be interested in any business or engage for profit in any profession or undertake other gainful

Peace Corps

§ 307.735-310

employment in any country or countries to which he or she is assigned or detailed in his or her own name or through the agency of any other person.

(2) A U.S. citizen employee shall not invest in real estate or mortgages on properties located in his or her country of assignment. The purchase of a house and land for personal occupancy is not considered a violation of this subparagraph.

(3) A U.S. citizen employee shall not invest money in bonds, shares, or stocks of commercial concerns headquartered in his or her country of assignment or conducting a substantial portion of business in such country. Such investments, if made prior to knowledge of assignment or detail to such country or countries, may be retained during such assignment or detail.

(4) A U.S. citizen employee shall not sell or dispose of personal property, including automobiles, at prices producing profits which result primarily from import privileges derived from his or her official status as an employee for the U.S. Government.

§ 307.735-309 Information.

(a) *Release of information to the press.*

(1) Regular or special employees shall not withhold information from the press or public unless that information is classified or administratively controlled (limited official use). All responses to requests for information from the press should be referred to the Director of Public Affairs who will be responsible for all releases. Regular and special employees should be certain that information given to the press and public is accurate and complete.

(2) Any questions as to the classification or administrative control of information should be referred to the DAEO.

(3) No regular or special employee may record by electronic or other device any telephone or other conversation, or listen in on any telephone conversation without the consent of all parties thereto.

(b) *Disclosure and misuse of inside information.* No employee may, directly or indirectly, disclose or use for his or

her own benefit, or for the private benefit of another, inside information as described in paragraph (c) of this section. The use of such information by an employee is restricted to the proper performance of his or her official duties. The disclosure of such information is restricted to official Peace Corps channels unless disclosure is authorized by the Director, the Deputy Director, the General Counsel, or an Associate Director of Peace Corps. In particular, no employee may:

(1) Engage in, directly or indirectly, a financial transaction as a result of or primarily relying on such information; or

(2) Publish any book or article, or deliver any speech or lecture, based on or using such information.

(c) *Definition.* The term *inside information* as used in this section means, generally, information obtained under Government authority which has not been made available to the general public and which could affect the rights or interests of the Government or of a non Government organization or person. Such information includes information about Peace Corps operations or administration, and personnel which could influence someone's dealing with Peace Corps.

(d) This section is not intended to discourage the disclosure through proper channels of information which has been or should be made public, or which is by law to be made available to the public. Also, employees are encouraged to teach, lecture, and write, provided they do so in accordance with the provisions of this section and §§ 307.735-301 and 307.735.306.

§ 307.735-310 Speeches and participation in conferences.

(a) *Fees and expenses.* (1) Although an employee may not accept a fee for his or her own use or benefit for making a speech, delivering a lecture, or participating in a discussion if the subject is Peace Corps or Peace Corps programs or if such services are part of the employee's official Peace Corps duties, the employee may suggest that the amount otherwise payable as a fee or honorarium be contributed to Peace Corps under the authority of section 10(a)(4) of the Peace Corps Act.

(2) When a meeting, discussion, etc., to which paragraph (a)(1) of this section refers takes place at a substantial distance from the employee's home, he or she may accept reimbursement for the actual cost of transportation and necessary subsistence, or expenses, but in no case shall he or she receive any amount for personal benefit. Such reimbursements shall be reported by the employee to his or her immediate supervisors.

(3) An employee may accept fees for speeches, etc. dealing with subjects other than Peace Corps or Peace Corps programs when no official funds have been used in connection with his or her appearance and such activities do not interfere with the efficient performance of his or her duties.

(4) In order to avoid even the appearance of a conflict of interest, whether or not a fee is offered should not be determinative of whether an employee makes a speech or participates in a discussion if the subject is Peace Corps or its programs, or if such services are part of the employee's official duties.

(b) *Racial segregation.* No employee may participate for Peace Corps in conferences or speak for Peace Corps before audiences where any racial group has been segregated or excluded from the meeting, from any of the facilities or conferences, or from membership in the organization sponsoring the conference or meeting.

(1) When a request for Peace Corps speakers or participation is received under circumstances where segregation may be practiced, the Director of Public Affairs shall make specific inquiry as to the practices of the organization before the request is filled.

(2) If the inviting organization shows a willingness to modify its practices, Peace Corps will cooperate in such efforts.

(3) Exceptions to this paragraph may be made only by the Director, Peace Corps and in his or her discretion.

§ 307.735-311 Partisan political activity.

(a) *Prohibited activities.* No employee may:

(1) Use his or her official authority or influence for the purpose of interfering

with an election or affecting the result thereof; or

(2) Take any active part in partisan political management or in political campaigns, except as may be provided by or pursuant to statute, 5 U.S.C. 7324.

(b) *Intermittent employees.* Persons employed on an irregular or occasional basis are subject to paragraph (a) of this section only while in active duty status and for the 24 hours of any day of actual employment.

(c) *Excepted activities.* Paragraph (a) of this section does not apply to:

(1) Nonpartisan campaigns and elections in which none of the candidates is to be nominated by or elected as representing a national or State political party, such as most school board elections; or

(2) Political activities connected with questions of public interest which are not specifically identified with national or State political parties, such as constitutional amendments, referenda, and the like (5 U.S.C. 7326).

(d) *Excepted communities.* Paragraph (a) of this section does not apply to employees who are residents of certain communities. These communities, which have been designated by the Office of Personnel Policy and Operations (5 CFR 733.301), consist of a number of communities in suburban Washington, DC, and a few communities elsewhere in which a majority of the voters are Government employees. Employees who are residents of the designated communities may be candidates for, or campaign for others who are candidates for, local office if they or the candidates for whom they are campaigning are running as independent candidates. An employee may hold local office only in accordance with §§ 307.735-301 through 307.735-306 relating to outside employment and associations.

(e) Special Government employees are subject to the statute for the 24 hours of each day or which they do any work for the Government.

(f) While regular employees may explain and support governmental programs that have been enacted into law, in exercising their official responsibilities they should not publicly support or oppose pending legislation, except in testimony required by the Congress.

§ 307.735-312 Use of Government property.

A regular or special employee shall 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. All employees have a positive duty to protect and conserve Government property, including equipment, supplies, and other property entrusted or issued to them. By law, penalty envelopes may be used only for official U.S. Government mail.

§ 307.735-313 Indebtedness.

Peace Corps considers the indebtedness of its employees to be a matter of their own concern and will not function as a collection agency. Nevertheless, a regular or special employee shall pay each just financial obligation in a proper and timely manner, especially one imposed by law such as Federal, State, or local taxes. For the purpose of this section, a "just financial obligation" means one acknowledged by the employee or reduced to judgment by a court, or one imposed by law such as Federal, State or local taxes, and "in a proper and timely manner" means in a manner which the agency determines does not, under the circumstances, reflect adversely on the Government as his or her employer. In the event of a dispute between an employee and an alleged creditor, this section does not require Peace Corps to determine the validity or amount of the disputed debt.

§ 307.735-314 Gambling, betting, and lotteries.

A regular or special employee shall not participate, while on Government owned or leased property or while on duty for the Government in any gambling activity, including the operation of a gambling device, in conducting a lottery or pool, in a game for money or property, or in selling or purchasing a numbers slip or ticket.

§ 307.735-315 Discrimination.

No regular or special employee may make inquiry concerning the race, political affiliation, or religious beliefs of any employee or applicant in connection with any personnel action and

may not practice, threaten, or promise any action against or in favor of an employee or applicant for employment because of race, color, religion, sex, age, or national origin and in the competitive service on the basis of politics, marital status, or physical handicap.

§ 307.735-316 Related statutes and regulations.

Each employee should be aware of the following related statutes and regulations:

(a) House Concurrent Resolution 175, 85th Congress, 2nd Session, 72A Stat. B12, the "Code of Ethics for Government Service."

(b) The prohibition against lobbying with appropriated funds (18 U.S.C. 1913).

(c) The prohibitions against disloyalty and striking (5 U.S.C. 7311, 18 U.S.C. 1918).

(d) The prohibition against accepting honoraria of more than \$2,000 per speech, appearance, or article (2 U.S.C. 441i).

(e) The prohibitions against: (1) The disclosure of classified information (18 U.S.C. 798, 50 U.S.C. 783), and (2) the disclosure of confidential information (18 U.S.C. 1905).

(f) The provisions relating to the habitual use of intoxicants to excess (5 U.S.C. 7352).

(g) The prohibition against the misuse of a Government vehicle (31 U.S.C. 638a(c)).

(h) The prohibition against the misuse of the franking privilege (18 U.S.C. 1719).

(i) The prohibition against the use of deceit in an examination or personnel action in connection with Government employment (18 U.S.C. 1917).

(j) The prohibitions against fraud or false statements in a Government matter and filing false claims (18 U.S.C. 1001 and 287).

(k) The prohibition against mutilating or destroying a public record (18 U.S.C. 2071).

(l) The prohibition against counterfeiting and forging transportation requests (18 U.S.C. 508).

(m) 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 or her employment (18 U.S.C. 654).

(n) The prohibition against unauthorized use of documents relating to claims from or by the Government (18 U.S.C. 285).

(o) The prohibitions against political activities in subchapter III of chapter 73 of title 5, United States Code, and 18 U.S.C. 602, 603, and 607.

(p) The prohibition against gifts to employees' superiors and the acceptance thereof (5 U.S.C. 7351).

(q) Chapter 11 of title 18, United States Code, relating to bribery, graft, and conflicts of interest, which is specifically applicable to special Government employees as well as to regular employees.

(r) The prohibition against accepting gifts from foreign governments (5 U.S.C. 7342).

(s) The prohibition against an employee acting as the agent of a foreign principal registered under the Foreign Agents Registration Act (18 U.S.C. 219).

(t) The prohibition against appointing or advocating the appointment of a relative to a position within the Agency (5 U.S.C. 3110).

(u) The prohibition against postemployment conflicts of interest (18 U.S.C. 207).

Subpart D—Procedures for Submission by Employees and Review of Statements of Employment and Financial Interests

§ 307.735-401 Submission of statements.

(a) Officials and employees occupying positions classified at the FE-3 level and above are required by title II of the Ethics in Government Act of 1978, as amended, title II of Pub. L. 95-521, to file annual Executive Personnel Financial Disclosure Reports. They need not also file the statement of employment and financial interests required by the following provisions.

(b)(1) Regulations of the Office of Personnel Policy and Operations (5 CFR part 735) require Peace Corps to adopt regulations providing for the

submission of statements of employment and financial interests from certain regular employees and all special employees.

(2) All special employees and those regular employees occupying positions described in paragraph (c) of this section shall complete statements of employment and financial interests and submit them to the DAEO not later than 5 days prior to entrance on duty. The Director of Personnel Policy and Operations shall be responsible for supplying all new employees with the necessary forms prior to their initial employment, extensions, or reappointments.

(3) The initial statement of employment and financial interests shall include information on organizations with which the employee was associated during the 2 years prior to his or her employment by Peace Corps, as well as information about current associations. Special employees shall also indicate to the best of their knowledge which organizations listed currently on their forms have contracts with or are applying for contracts with the Peace Corps. If any information required to be included on the statement, including holdings placed in trust, is not known to an employee but is known to another person, he or she is required to request that other person to submit information on his or her behalf.

(4) Current employees shall file a statement on or before June 30 each year. The Director of Personnel Policy and Operations shall be responsible for insuring that statements are distributed to all affected employees. Notwithstanding the filing of the annual report required by this paragraph each employee shall at all times avoid acquiring a financial interest that could result, or taking an action that would result, in a conflict of interest and a violation of the conflict-of-interest provisions of section 208 of title 18, United States Code, or the conflict-of-interest provisions of this part.

(5) In the case of temporary summer employees hired at FP-7 or equivalent and below to perform duties other than those of an expert or consultant, the reporting requirement will be waived. It may also be waived by the Director of Personnel Policy and Operations

with respect to other appointments, except as experts or consultants, upon a finding that the duties of the position held by the special Government employee are of a nature and at such a level of responsibility that the reporting of employment and financial interests is not necessary to protect the integrity of the Government.

(6) Regular or special employees are not required to submit in a statement of employment and financial interests any information about their connection with or interest in a professional society or a charitable, religious, social, fraternal, recreational, public service, civic, or political organization not conducted as a business enterprise. For this purpose, any organizations doing work involving or potentially involving contracts with the Government are considered business enterprises and are required to be included in a regular or special employee's statement of employment and financial interests.

(7) The statements of employment and financial interests required are in addition, and not in substitution for or in derogation of, any similar requirement imposed by law, order, or regulation. The submission of a statement by an employee does not permit him or her or any other person to participate in a matter in which his or her or other persons' participation is prohibited by law, order, or regulations.

(8) A regular employee who believes that his or her position has been improperly included under Peace Corps regulations as one requiring the submission of a statement of employment and financial interests shall be given an opportunity for review through Peace Corps' grievance procedures to determine whether the position has been improperly included.

(c) Statements shall be submitted by employees who are engaged in any aspect of Government contracting or procurement activities including, but not limited to, the planning, design, award, monitoring, and evaluation of Peace Corps procurement of goods and services; and by all special employees (expert and consultants).

§307.735-402 Review of statements.

(a) The DAEO shall review all statements and forward the names of all

listed organizations to the Director of Contracts. In addition, if the information provided in the statement indicates on its face a real, apparent, or potential conflict of interest under §§307.735-301 through 307.735-305 of these standards, the DAEO will review the situation with the particular employee. If the DAEO and the employee are unable to resolve the conflict to the DAEO's satisfaction, or if the employee wishes to request an exception to any of the above enumerated rules, the case will be referred to the Committee on Conflict of Interest. The Committee is authorized to recommend appropriate remedial action to the Director, who is authorized to take such action as may include, but is not limited to, changing assigned duties, requiring the employee or special employee to divest himself of a conflicting interest, taking disciplinary action, or disqualifying or accepting the self-disqualification of the employee or special employee for a particular assignment.

(b) The Contracts Division shall maintain a list of all the organizations with which employees are or have been associated, as well as a list of all current contractors with the Agency. The list of organizations shall include the names of all employees associated with the identified organizations. When names of organizations with which new employees are or have been associated are submitted to the Contracts Office, they shall be checked against the list of current contractors. Similarly, before any new contracts are awarded, the names of the potential contractors will be checked against the master list of organizations with which employees are or have been associated. Any real, apparent, or potential conflicts which come to light as a result of these cross checks will be referred to the DAEO for review. The DAEO will proceed as in paragraph (a) of this section, referring the matter to the Committee on Conflict of Interest if necessary.

(c) Whenever an organization submits a proposal or application or otherwise indicates in writing its intent to apply for or seek a specific contract, the Peace Corps Contracts Division shall

immediately forward a copy of the relevant sections of the Agency standards of conduct to that organization.

(d) Whenever a regular or special employee begins or terminates his or her employment with Peace Corps, the Office of Personnel Policy and Operations shall provide that employee with a copy of the rules found in §307.735–304 restricting a person's employment after leaving Peace Corps. Personnel shall also notify the DAEO when an employee terminates. One year after the date of termination the DAEO will instruct the Contracts Office to remove from the master list any organizations with which the terminated employee was associated unless other current employees are associated with those organizations. Six years after the date of termination the DAEO will destroy the statement of employment and financial interests.

PART 308—IMPLEMENTATION OF THE PRIVACY ACT OF 1974

- Sec.
- 308.1 Purpose.
 - 308.2 Policy.
 - 308.3 Definitions.
 - 308.4 Disclosure of records.
 - 308.5 New uses of information.
 - 308.6 Reports regarding changes in systems.
 - 308.7 Use of social security account number in records system [Reserved].
 - 308.8 Rules of conduct.
 - 308.9 Records systems—management and control.
 - 308.10 Security of records systems—manual and automated.
 - 308.11 Accounting for disclosure of records.
 - 308.12 Contents of records systems.
 - 308.13 Access to records.
 - 308.14 Specific exemptions.
 - 308.15 Identification of requesters.
 - 308.16 Amendment of records and appeals with respect thereto.
 - 308.17 Denial of access and appeals with respect thereto.
 - 308.18 Fees.

AUTHORITY: 5 U.S.C. 552a.

SOURCE: 50 FR 1844, Jan. 14, 1985, unless otherwise noted.

§308.1 Purpose.

The purpose of this part is to set forth the basic policies of the Peace Corps governing the maintenance of systems of records containing personal information as defined in the Privacy

Act of 1974 (5 U.S.C. 552a). Records included in this part are those described in the aforesaid Act and maintained by the Peace Corps and/or any component thereof.

§308.2 Policy.

It is the policy of the Peace Corps to protect, preserve and defend the right of privacy of any individual as to whom the agency maintains personal information in any records system and to provide appropriate and complete access to such records including adequate opportunity to correct any errors in said records. It is further the policy of the agency to maintain its records in such a fashion that the information contained therein is and remains material and relevant to the purposes for which it is collected in order to maintain its records with fairness to the individuals who are the subject of such records.

§308.3 Definitions.

(a) *Record* means any document, collection, or grouping of information about an individual maintained by the agency, including but not limited to information regarding education, financial transactions, medical history, criminal or employment history, or any other personal information which contains the name or personal identification number, symbol, photograph, or other identifying particular assigned to such individual, such as a finger or voiceprint.

(b) *System of Records* means a group of any records under the control of the agency from which information is retrieved by use of the name of an individual or by some identifying number, symbol, or other identifying particular assigned to the individual.

(c) *Routine Use* means, with respect to the disclosure of a record, the use of such record for a purpose which is compatible with the purpose for which it was collected.

(d) The term *agency* means the Peace Corps or any component thereof.

(e) The term *individual* means any citizen of the United States or an alien lawfully admitted to permanent residence.