



Number: PDS 735-1

Date: May 2, 2003

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Subject: Employee Conduct

1. **PURPOSE** Establishes and supplements Public Debt's policies and procedures regarding employee conduct.
2. **SCOPE** Applies to all Public Debt employees, including bargaining unit employees for matters not covered by the negotiated agreement.
3. **CANCELLATION** Personnel Directives System Chapter 735-1 dated June 1, 1999.
4. **REFERENCES**
 - 5 U.S.C. Chapter 73 (Hatch Act)
 - 5 CFR parts 733, 734, 735
 - 5 CFR Part 2635 (Standards of Ethical Conduct for Employees of the Executive Branch)
 - 5 CFR Chapter XVI (Office of Government Ethics)
 - 5 CFR Chapter XXI (Supplemental Standards of Ethical Conduct for Employees of the Department of the Treasury)
 - 31 CFR Part O (Department of the Treasury Employee Rules of Conduct)
 - Executive Order 12674, as modified by Executive Order 12731 (dated October 17, 1990)
 - TPM BTN 735, 81-4, (dated April, 29, 1981)
5. **DEFINITIONS**
 - a. Adverse action.
 - (1) Suspension of more than fourteen days.
 - (2) Furlough of less than thirty days.
 - (3) Reduction in grade.
 - (4) Reduction in pay.
 - (5) Removal.
 - b. Corrective action. Any action taken to correct acts of misconduct.
 - c. Disciplinary action.
 - (1) Oral admonishment confirmed in writing.
 - (2) Reprimand.
 - (3) Suspension of fourteen days or less.
 - d. Gift. Any gratuity, favor, discount, entertainment, hospitality, loan, forbearance, or other item having monetary value.

- e. Market value. The retail cost a gift.
- f. Misconduct. A violation of any rule, regulation, policy, directive, etc. that governs employee conduct, including those governing ethical conduct.
- g. Solicit. Asking for contributions by personal communication or by general announcement.
- h. Standards of Conduct. Includes all of the various standards of conduct referenced above.

6. RESPONSIBILITIES

- a. Chief Counsel. Acts as the Deputy Agency Ethics Official (DAEO) for Public Debt.
- b. Director, Human Resources Division (HRD).
 - (1) Coordinates the efforts of the various organizations in HRD that deal with the administration of this directive.
 - (2) Furnishes all employees information and guidance on the standards of conduct. New employees will be informed of the standards of conduct at the time of their employment. Departing employees will be provided with an explanation of the applicable post-employment restrictions.
- c. Manager, Labor and Employee Relations and Training Branch (LERTB).
 - (1) Administers and coordinates Public Debt's programs for dealing with acts of misconduct.
 - (2) Assures that managers and supervisors know how to handle instances of misconduct.
 - (3) Investigates misconduct and possible violations of the standards of conduct.
 - (4) Recommends a course of action for supervisors to follow when dealing with incidents of misconduct.
 - (5) Ensures that supervisors apply the policies governing conduct in a consistent manner.
 - (6) Assists managers in taking any necessary corrective actions.
- d. Managers and Supervisors.
 - (1) Identify misconduct and initiate appropriate corrective action.
 - (2) Apply the policies governing employee conduct consistently within their organization.

- (2) Understand the various standards of conduct.
 - (3) Observe these standards personally and see that employees know and observe them as well.
 - (4) Report violations of the standards to the appropriate managers and to LERTB for appropriate action.
- e. Employees. Are to:
- (1) Perform their work conscientiously, courteously, and respect the administrative authority of those directing their work.
 - (2) Conduct themselves at all times in a manner that is above reproach and which reflects credit to the employee and Public Debt.
 - (3) Observe the spirit, as well as the letter, of all applicable laws and regulations governing employee conduct including Treasury Department and Public Debt requirements.
 - (4) Familiarize themselves with the standards of conduct and their application. Seek information from supervisors and/or managers, HRD, or the Office of the Chief Counsel in case of doubt or misunderstanding.
 - (5) Be aware of the consequences of violation of the laws, rules and regulations regarding conduct.
 - (6) Demonstrate courtesy in all of their dealings with the general public, members of Congress, and other government employees.

7. POLICY

Traditionally, the public has expected those who serve in the Federal service to have a high level of moral character and to maintain a high standard of ethical conduct. In many instances, the conduct of Federal employees is subject to more restrictions and to higher standards than might be true in the case of private employment.

The standards prescribed for employees of Public Debt are identified in 4. References above.

These standards are considered reasonable and provide guidance to employees regarding what they can and cannot do in official and personal conduct. All employees receive a copy of these documents or have electronic access to them. They must read them carefully and comply with them fully.

The documents listed above are not to be considered all-inclusive. A lack of knowledge or a specific published standard addressing an act of misconduct does not make the act acceptable, permissible, or excusable.

To meet the needs of Public Debt's requirements, it has been necessary to supplement several of the provisions described in the standards of conduct. These additional instructions and procedures are covered below.

a. Outside Employment and Business Activities.

- (1) General Requirements. Employees are not generally prohibited from holding outside jobs or taking part in outside business activities. However, before engaging in any outside job or business activity, employees must first obtain written permission from the appropriate approving official. This applies to all jobs and activities, with or without compensation, unless exempt from prior approval requirements. Any outside employment or business activity must meet the following criteria:
 - (a) The outside activity must not violate any law, Executive Order, applicable rule or regulation, or Public Debt or Treasury order or directive.
 - (b) The nature of employment or business activity must not interfere with the efficient performance of the employee's official duties.
 - (c) The outside activity must not bring discredit on or cause unfavorable and justifiable criticism of the Government.
 - (d) The outside activity must not result in a conflict of interest, or apparent conflict of interest, with official duties and responsibilities.
- (2) Outside Employment and Sick Leave. Generally, an employee who is too ill or injured to report for work is also too ill to engage in any other employment. There may be, however, legitimate justification for outside employment while on sick leave. An employee's outside activity could be within the medical limitation of their illness or injury when the regular job is not. For example, an employee suffering from illness or injury might be able to do telephone solicitation work or other sedentary work but not their regular job. Such employment requires the same approval as after-hours outside employment.
- (3) The Approving Officials.
 - (a) The Commissioner of Public Debt retains the authority to approve or disapprove requests from the Deputy Commissioner, Assistant Commissioners, and all other SES employees. The Chief Counsel of Public Debt is authorized to review such requests prior to approval/disapproval.
 - (b) The Chief Counsel of Public Debt is authorized to approve or disapprove requests from attorney-advisors.

- (c) Except as indicated above, the Manager of LERTB, HRD, is authorized to approve or disapprove requests from all other Public Debt employees.
- (4) Administrative Procedures.
- (a) Employees must complete Form PDF 3514E and submit the form to their immediate supervisor for necessary action.
 - (b) The immediate supervisor will sign the form recommending approval/disapproval. Any pertinent facts that will assist the approving official in making a final determination should be attached.
 - (c) If disapproval is recommended, the immediate supervisor will provide the basis for the recommendation in the "remarks" box of PDF 3514E.
 - (d) The supervisor will send the completed form, properly noted and signed, through the employee's Division Director to LERTB.
- (5) Review and Approval.
- (a) LERTB will review the PDF 3514E. If no potential conflict of interest is found, the Manager, LERTB, will approve or disapprove the request. If a potential conflict of interest exists, LERTB will forward it to the Office of the Chief Counsel. If the Office of the Chief Counsel finds no conflict of interest, the request will be approved.
 - (b) Once an approval/disapproval decision has been made, LERTB will return the completed PDF 3514E to the employee. A copy will be filed in the employee's official personnel folder. A second copy will be provided to the immediate supervisor for his/her file.
 - (c) LERTB may periodically request that supervisors review existing approvals to insure all requirements are being fully met by employees. Cases that need to be investigated or reconsidered should be brought to the attention of the approving official through LERTB.
- (6) Activities That Do Not Require Written Permission. While a complete list covering every specific activity is not possible, the general categories below are furnished as basic guidelines. Activities not covered should be referred to LERTB for decision. The following activities, whether paid or unpaid, do not require written permission:

- (a) Membership and services (including holding office) in civic, scout, religious, educational, fraternal, social, community, veteran, professional and charitable organizations if the activity does not entail the management of a business, such as operation of a clubhouse.
- (b) Membership and services (including holding office) in Federal employee organizations, recognized Federal employee unions and Federal Credit Unions.
- (c) Minor services and odd jobs for friends, relatives, neighbors and coworkers. These include a wide variety of activities including repair or maintenance work such as painting, services such as baby-sitting, and car pools involving payment for transportation.
- (d) Services as a Notary Public. An employee who is also a notary public may not charge or receive fees for performing notarial acts in connection with official duties. Neither may an employee charge or receive a fee for performing a notarial act for any person during official duty hours. This prohibition on acceptance of fees does not apply to notarial acts performed in an unofficial capacity during off duty hours.
- (e) Rental of personally owned property.
- (f) Volunteer hospital work.

b. Engagements to Speak, Write or Teach.

- (1) The outside employment or business activity requirements prescribed in Section 7 a., above also apply to situations involving lecturing, teaching, or writing.
- (2) An employee may lecture, teach or write on a topic related to Public Debt or Treasury Department policies or operations only with prior approval. The material must be submitted, through channels, to the Commissioner of Public Debt for clearance prior to its use.
- (3) Generally, an employee may only receive pay/benefits from Public Debt for teaching, speaking or writing on topics related to official duties.

An exception would be the teaching of a course requiring multiple presentations. The course must be part of the curriculum of an accredited school or institution of higher education. Another exception would be the teaching of a program sponsored and funded by, but not offered by, the Federal, State or local government. If the conditions above are met, an employee is still prohibited from accepting compensation for teaching if:

- (a) The institution has interests that may be substantially affected by the performance or nonperformance of the employee's duties.
- (b) The teaching is undertaken as part of the employee's official duties or involves the use of nonpublic information.

c. Indebtedness Matters.

(1) Responsibilities.

- (a) Employees. Employees are expected to satisfy their obligations as citizens. This includes paying all just financial obligations (debts) on time, as agreed.
- (b) Human Resources Division. Specific responsibilities include receiving, evaluating, and addressing debt complaints. Public Debt's policies provide for:
 - 1. Appropriate counseling for those employees who have repeated difficulties with indebtedness.
 - 2. Discussions with the employee when it is believed that the debt complaint warrants a discussion. When discussions are held, the employee will be reminded of Public Debt's policy on indebtedness and the requirements found in CFR 2635.101 (b) (12) and 2635.809.
- (c) Supervisors. Supervisors are expected to cooperate and assist HRD in any indebtedness case brought to their attention.

(2) Other Considerations.

- (a) Debt complaints should not be accepted from creditors unless presented in writing to Public Debt. Complainants who make oral representations will be advised by LERTB of this written requirement. For proper review of indebtedness cases, complainants should be asked to include in their letters such information as:
 - 1. Date and amount of original debt.
 - 2. Terms of the contract.
 - 3. Date and amount of each payment.
 - 4. Current balance owed.

5. Specific action taken to collect the debt.

6. Signature of persons who signed the contract.

- (b) Private creditors and collectors, will be denied access to employees on Public Debt premises for the purpose of presenting, discussing or collecting claims.
- (c) Public Debt will not permit itself to be placed in the position of determining the validity of contested debts. If the obligation is disputed or denied, the employee will so advise LERTB in writing. LERTB will, in turn, advise the creditor that no action will be taken until the conflict is resolved. Creditors will also be advised of their right to pursue “wage attachment” through the legal system.
- (d) Indebtedness to Federal, State or local governments is generally considered a more serious type of indebtedness than private debts. Special attention is given to resolving these complaints. Employees will be counseled by a representative of LERTB concerning the indebtedness. A follow-up will be made in an effort to ensure fulfillment of agreement.
 - (a) Indebtedness involving the use of Government authorized credit cards is handled under PDS 735-3.

d. Gifts or Gratuities from Fellow Employees.

- (1) The General Requirements. The Standards of Ethical Conduct place several restrictions on the giving and receiving of gifts by federal employees. These Standards can be inadvertently violated if employees are not attentive to their actions. With certain exceptions outlined in (2) below, employees may not:
 - (a) Directly or indirectly give a gift to or make a donation toward a gift for a supervisor or manager.
 - (b) Solicit a contribution from another employee for a gift to either their own or the other employee's supervisor or manager.
 - (c) Directly or indirectly accept a gift from an employee receiving less pay than themselves unless:
 - 1. The employees are not in a subordinate-official superior relationship and
 - 2. There is a personal relationship between the two employees that would justify the gift.

- (2) General Exceptions. On occasion, including when gifts are traditionally given or exchanged, a subordinate employee may give a supervisor a gift. The following may be given to a superior by a subordinate or other employee receiving less pay:
- (a) Items, other than cash, with an accumulated market value of \$10 or less per occasion.
 - (b) Items such as food and refreshments to be shared in the office among several employees.
 - (c) Personal hospitality provided at a residence that is of a type and value customarily provided by the employee to personal friends.
 - (d) Items given in connection with the receipt of personal hospitality if of a type and value customarily given on such occasion.
- (3) Exceptions for Special, Infrequent Occasions. Examples of these occasions include retirement, resignation, transfer, marriage, illness or the birth or adoption of a child. Such occasions allow a subordinate or other employee receiving less pay to give a gift to a supervisor.
- (4) Other Considerations. Any solicitations should be handled in a manner that will not give the appearance of being initiated, suggested, fostered or controlled by management. Management's motives might be viewed with suspicion and some employees might feel compelled to participate. To avoid any feeling of coercion, it is suggested that a container for contributions be placed in a designated location. The purpose and location of this container should be announced to all the employees having an interest in the specific occasion.
- (5) "Flower" or "Sunshine" Funds to Purchase Gifts. The establishment or continued existence of a "flower" or "sunshine" fund is prohibited. Such a fund is usually established by a group of employees in a particular organization. The fund is usually maintained by automatic bi-weekly or monthly donations until it has reached a specific amount of money. The fund is used primarily to purchase gifts, flowers, or other conventional items for participants upon their illness, retirement, bereavement and other special occasions. This practice may lead unintentionally to a violation of the Standards of Ethical Conduct and could cause embarrassment to Public Debt. When organizations change, problems often arise over what to do with the monies in the fund.

e. Soliciting, Selling, Canvassing or Advertising.

- (1) Generally, employees may not peddle, solicit, make collections, or canvas for the sale of any article or item. They may not distribute literature or advertising matter in any space occupied by Public Debt.

Any exception to this policy must be authorized by the Executive Director of the Administrative Resource Center.

- (2) There may be instances when outsiders enter Public Debt's premises or use the telephone in an attempt to sell magazines or other items to employees. Such selling is prohibited, and when it occurs, information should be obtained on the organization, the sales person, and the article they are trying to sell. This information should quickly be provided to LERTB who will contact the organization and request that these contacts be stopped.
- (3) Employees may not solicit financial aid from or sell tickets to persons outside of Public Debt for benefit of any organization of Treasury Department employees. No publication of any such organization shall contain any commercial advertising whatsoever. The costs of such publications must be paid by the organization or association.
- (4) Under certain circumstances employee organizations and associations may accept financial aid for conference purposes from Boards of Trade, Chambers of Commerce, Convention Bureaus, and other such organizations serving similar purposes which have followed a regular practice of furnishing financial aid to organizations that hold conventions. Permission must be obtained from the Executive Director, Administrative Resource Center, before an office within Public Debt accepts financial aid for convention purposes from any such organization.

f. Political Activity.

Federal employees are restricted in a number of ways from active participation in political activity. An employee must observe the laws governing political activity of Federal employees. Severe penalties can result from violations. Violations of these laws are to be reported to the Office of the Special Counsel. It is OSC's responsibility to investigate and address any violations. As a minimum, an employee found to be in violation will be suspended for 30 days without pay.

Because of the complexities of applicable laws and the wide variety of situations that may arise, questions regarding political activity should be referred to LERTB. Also, SES employees are subject to Hatch Act restrictions in effect prior to the 1994 amendments, some of which are different from those listed below. A list of restrictions applying to SES employees is available from LERTB.

- (1) Authorized Activities. Although restrictions apply, employees may:

- (a) Solicit, accept or receive political contributions for the multi-candidate committee of a federal labor or employee organization. The employee being solicited must not be a subordinate and must belong to the same federal labor or employee organization.
- (b) Be candidates for public office in nonpartisan elections.
- (c) Register and vote as they choose.
- (d) Assist in voter registration drives.
- (e) Express opinions about candidates and issues.
- (f) Contribute money to political organizations.
- (g) Attend political fund raising functions.
- (h) Attend and be active at political rallies and meetings.
- (i) Join and be an active member of a political party, club or organization, but not personally solicit, accept or receive political contributions.
- (j) Sign nominating petitions.
- (k) Campaign for or against referendum questions, constitutional amendments, and municipal ordinances.
- (l) Stuff envelopes with campaign literature that includes an appeal for political contributions.
- (m) Campaign for or against candidates in partisan elections.
- (n) Make campaign speeches for candidates in partisan elections as long as the speech does not make an appeal for political contributions.
- (o) Distribute campaign literature in partisan elections.
- (p) Hold office in political clubs or parties, including serving as a delegate to a convention.
- (q) Display partisan bumper stickers on private automobiles. However, if the vehicle is used for official business, the bumper sticker must be covered.

(2) Unauthorized Activities. With the exception of certain

partially exempted communities, employees are prohibited from being a candidate for public office in partisan elections. Additionally, employees may not:

- (a) Use their official authority or influence to interfere with an election.
- (b) Knowingly solicit or discourage the political activity of any person who has business before the agency.
- (c) Engage in political activity while on duty.
- (d) Engage in political activity in any government office.
- (e) Engage in political activity while wearing an official uniform.
- (f) Engage in political activity while using a government vehicle.
- (g) Solicit political contributions from the general public.
- (h) Be candidate for public office in partisan election.
- (i) Display political buttons, posters or similar items while on the job.
- (j) Sign campaign letters that include a solicitation for political contributions.
- (k) Participate, even anonymously, in phone bank solicitations for political contributions.

8. OFFICE OF PRIMARY INTEREST

Administrative Resource Center, Human Resources Division, Labor and Employee Relations and Training Branch.

May 2, 2003

Van Zeck /s/

Date

Van Zeck, Commissioner
Bureau of the Public Debt