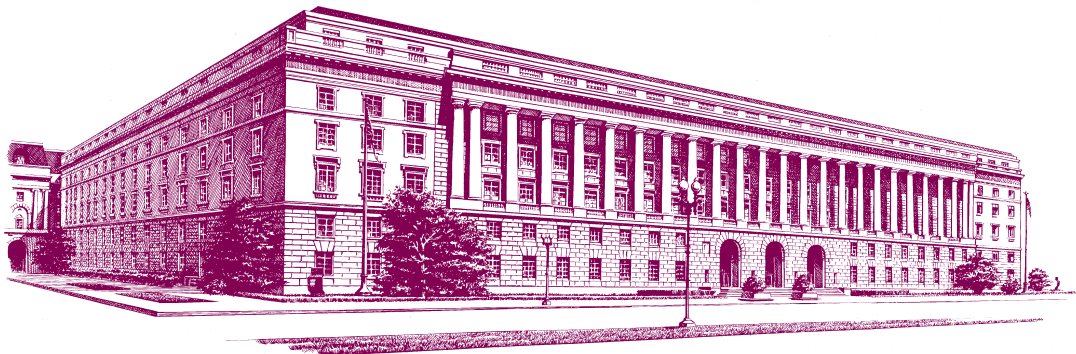

Plain Talk About Ethics and Conduct

For All Employees





The IRS Mission

Provide America's taxpayers top quality service by helping them understand and meet their tax responsibilities and by applying the tax law with integrity and fairness to all.

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THE PRINCIPLES OF ETHICAL CONDUCT

1. *Public service is a public trust, requiring employees to place loyalty to the Constitution, the laws, and ethical principles above private gain.*
2. *Employees shall not hold financial interests that conflict with the conscientious performance of duty.*
3. *Employees shall not engage in financial transactions using nonpublic Government information or allow the improper use of such information to further any private interest.*
4. *An employee shall not, except as permitted by 5 C.F.R. Part 2635 Subpart B, solicit or accept any gift or other item of monetary value from any person or entity seeking official action from, doing business with, or conducting activities regulated by the employee's agency, or whose interests may be substantially affected by the performance or nonperformance of the employee's duties.*
5. *Employees shall put forth honest effort in the performance of their duties.*
6. *Employees shall not knowingly make unauthorized commitments or promises of any kind purporting to bind the Government.*
7. *Employees shall not use public office for private gain.*
8. *Employees shall act impartially and not give preferential treatment to any private organization or individual.*
9. *Employees shall protect and conserve Federal property and shall not use it for other than authorized activities.*
10. *Employees shall not engage in outside employment or activities, including seeking or negotiating for employment, that conflict with official Government duties and responsibilities.*
11. *Employees shall disclose waste, fraud, abuse, and corruption to appropriate authorities.*
12. *Employees shall satisfy in good faith their obligations as citizens, including all just financial obligations, especially those-- such as Federal, State, and local taxes-- that are imposed by law.*
13. *Employees shall adhere to all laws and regulations that provide equal opportunity for all Americans regardless of race, color, religion, sex, national origin, age, or handicap.*
14. *Employees shall endeavor to avoid any actions creating the appearance of violating the law or the Office of Government Ethics (OGE) Standards of Ethical Conduct. Whether particular circumstances create an appearance that the law or the standards have been violated shall be determined from the perspective of a reasonable person with knowledge of the relevant facts.*

These principles were established by E.O. 12731 and form the basis for specific rules regarding Ethics and Conduct contained in the OGE Standards of Ethical Conduct at 5 C.F.R. Part 2635. You should apply the principles stated above in weighing the propriety of your conduct not otherwise addressed in the OGE Standards of Ethical Conduct.



Plain Talk about Ethics and Conduct

INTRODUCTION

Why Plain Talk about Ethics and Conduct?

If you have ever tried to read and comprehend the countless documents that explain what is expected of you as a public servant, you have begun to realize that the ethics rules are lengthy and sometimes difficult to understand. You may find yourself asking, “How do I make sure that I do the right thing when I’m not even sure what the right thing is?” Chances are you instinctively follow the rules because you are a good employee and you exercise basic common sense. However, some of the rules are not as self-evident and require a little more thought and discussion. This guide, entitled “Plain Talk about Ethics and Conduct”, provides an overview of the most common conduct and ethical issues you face as a Service employee.

Knowing what ethics requirements are and abiding by them can prevent problems before they occur and that should be everyone's goal.

What Are the Rules?

All Service employees are subject to the Office of Government Ethics (OGE) Standards of Ethical Conduct. The OGE Standards, which are applicable to all executive branch employees, are uniform ethics regulations covering such topics as gifts between employees, conflicts of interest, appearances of a lack of impartiality, and outside employment. They are the primary set of ethics standards by which you must abide. These rules go into great detail and give many examples of what is and is not permitted. In addition to the OGE Standards, employees are subject to supplementary ethics standards and rules of conduct issued by the Department of the Treasury and conduct rules issued by the Office of Personnel Management (OPM). Sometimes a violation of an ethics or conduct rule will also be a violation of another rule or policy. Some of the non-ethics rules listed

in this guide and to which you are subject include the UNAX statute and I.R.C. § 6103.

What Are My Obligations?

As an IRS employee, you are required to:

1. Read and follow the rules and procedures contained in the OGE Standards, Treasury Supplemental Standards, Treasury Employee Rules of Conduct, and OPM Employee Standards of Conduct;
2. Request clarification or interpretation from a supervisor or ethics official if the application of a rule contained in the OGE Standards, Treasury Supplemental Standards, Treasury Employee Rules of Conduct, or OPM Standards is not clear;
3. Report to the Treasury Inspector General for Tax Administration (TIGTA) any information indicating that an employee, former employee, contractor, subcontractor, or potential contractor engaged in criminal conduct or that an employee or former employee violated OGE Standards, Treasury Supplement Standards or Treasury Employee Rules of Conduct. **(31 C.F.R. § 0.107)**

What May Happen to Me if I Violate the Ethics and Conduct Rules?

Conduct which does not conform to these rules, or related statutes or regulations may form the basis for appropriate disciplinary action. Penalties can range from an admonishment for a minor infraction, to removal from the federal service for the most serious violations. The IRS will consider the employee’s explanation for his or her conduct and any mitigating factors. The IRS provides guidelines for determining the penalties for different offenses. There may also be corrective or remedial actions that the IRS will order you to take to correct the situation. **(31 C.F.R. § 0.102(c))**

By taking the time to read this concise guide, you will be better informed about what your obligations are and how you can help to uphold the public's trust and integrity in your official actions and in the Service's programs and operations.

Is This the Only Document I Need?

No. This document is a summary of your ethics obligations and the rules governing employee conduct. You should familiarize yourself with the applicable ethics rules mentioned above. Due to the technical complexity of some of the regulations, we could not cover in detail each of the rules in this document. While the most important and recurring issues have been included, you may need to refer to the actual text of the rules or regulation or obtain guidance from your supervisor or the IRS Deputy Ethics Official (DEO).

Throughout this document we have included the citation for specific rules or topics. At the end of the document, you will also find a list of the regulations to refer to for additional information and who to see for further guidance.

Who Can Help Me if I Have a Question?

Ethics Advice

Please remember that this booklet is a guide and should not be solely relied upon - especially when complex ethical issues arise. Sit down and talk with your supervisor to determine how the regulations apply to your situation or problem, or for general ethics advice, you may call the DEO's Ethics Hotline at (202) 927-0900 or e-mail GLS.Ethics@irsconsult.treas.gov.

Deputy Ethics Official

The Associate Chief Counsel (General Legal Services) in Washington, DC, is the Service's DEO. The duties of the DEO include providing Service employees with advice regarding interpretation or application of the OGE Standards of Ethical Conduct, Treasury Supplemental Standards, Treasury Employee Rules of Conduct, related statutes or regulations, and conflict of interest questions.

What are the procedures for seeking written advice from the DEO?

As a general rule, you should direct your specific personal ethics questions to your immediate supervisor. As a follow-up to the supervisor's response, you may request written advice from the DEO on matters of immediate personal interest concerning the interpretation and application of the ethics and conduct statutes, regulations and rules. To seek such advice, complete a Form 8558 (Request for Opinion from the Deputy Ethics Official) and forward the form and any relevant background information to your immediate supervisor. Your supervisor will review the DEO request package and provide additional comments, if necessary, and then forward the package up the management chain to the servicing Labor Relations office. Your servicing Labor Relations office will review the package to ensure that the DEO request package is complete and then forward the package to the LR/ER Strategic Policy Office, Workforce Relations Division (HCO). The LR/ER Strategic Policy Office, Workforce Relations Division will forward the package to the DEO. The DEO will review the materials and provide written advice to you, your supervisor, and the LR/ER Strategic Policy Office, Workforce Relations Division.

Note: A manager should respond to a request for approval to engage in outside employment or business activities within 10 workdays of receiving the request. If the request is denied, the requesting employee may grieve the decision using the expedited process provided in the 2009 IRS-NTEU National Agreement II, Document 11678 (Rev. 10-2009), Article 6.

If you have a question of immediate personal interest regarding the propriety of merely discussing prospective employment arrangements with any person or organization other than the IRS, you may communicate in writing directly with the DEO. Your written communication should be by letter or memorandum rather than email. Questions of this nature should be sent to:

Internal Revenue Service
Office of the Associate Chief Counsel
General Legal Services
Ethics and General Government Law Branch
(CC:GLS:EGG) Room 6404
1111 Constitution Ave. NW
Washington, DC 20224

The request must set forth the specific facts and circumstances and the particular discussions in which you wish to engage. The request must also include a work telephone number at which you may be reached if additional information is required

For general ethics questions call:

DEO Ethics Hotline at (202) 927-0900 or e-mail GLS.Ethics@irs.counsel.treas.gov

For ethics information visit the IRS Ethics Web Site: <http://counsel.web.irs.gov/EthicsLink/>

How Can I Protect Myself From Disciplinary Action?

No disciplinary action will be taken against an employee for violations of the OGE Standards, the Treasury Supplemental Standards, or the Treasury Employee Rules of Conduct when the employee has engaged in conduct in good faith reliance on the advice of the DEO, so long as the employee, in seeking such advice, has made full disclosure of all relevant circumstances. Disclosures made to the DEO are not protected by an attorney-client privilege. If an employee's conduct violates a criminal statute, reliance on the advice of the DEO cannot ensure that the employee will not be prosecuted under that statute. The Department of Justice, in selecting cases for prosecution, may consider good faith reliance on the advice of the DEO.

(5 C.F.R. § 2635.107(b))

GIFTS FROM OUTSIDE SOURCES AND WITHIN THE AGENCY

You may have already been offered a present, a meal, or morning refreshments from someone with whom you do business as a result of your job. Do you take them? Or do you always say "no thanks?" Maybe you've wondered whether you can give a gift to your manager for his or her birthday or accept a holiday gift from your secretary. Some items that might seem at first to fall into the "gift" category are not "gifts" in the technical sense. Therefore, you can accept them regardless of who offers them and whether

they are being offered because of your official position. Here is some information to help you decide what to do.

(5 C.F.R. Parts 2635, Subparts B and C)

Gifts from Outside Sources

The General "Gift Rule"

You are prohibited from soliciting or accepting a gift:

- from a prohibited source; or
- given because of your official position.

(5 C.F.R. § 2635.202(a))

What is a "gift"?

A gift is anything of monetary value, such as:

- Money or a gratuity (tip);
- Discount on an item or service that is not available to the public or to all Government employees in a geographical area;
- Kinds of entertainment (i.e., tickets to a football game, a meal, or a weekend at a hotel);
- A loan (except from financial institutions at market rates);
- Free transportation; or
- Services like a car wash.

(5 C.F.R. § 2635.203(b))

What is Not a Gift?

Some examples of items and services that are not gifts include:

- Soft drinks, coffee, doughnuts, and similar modest refreshments that are not part of a meal;
- Greeting cards, plaques, certificates, trophies, and other items with little value that are intended for presentation;
- Loans from financial institutions on terms that are generally available to the public; or
- Anything for which you pay market value (the retail cost or the face value of a ticket).

(5 C.F.R. § 2635.203(b)(1))

If you are uncertain whether you have been offered something that you may accept, check with your supervisor to see if it falls into the "not-a-gift" category.

The Source of the Gift - Is it Prohibited?

Under the general "gift rule," you may **not** accept a gift that is given because of your official position. Also you may not accept a gift from a "prohibited source". A "prohibited source" includes anyone who is:

- Seeking action by the Service;
- Doing business with or trying to do business with the Service;
- Conducting activities that the Service regulates;
- Engaged in interests that may be substantially affected by your performance or nonperformance of your job;
- A member of an organization where most members meet one of these criteria. **(5 C.F.R. § 2635.203(d))**

Note: A person is not considered a prohibited source just because he/she is a taxpayer.

Caution: Even a friend could be a prohibited source if he or she meets one of the above tests.

WHEN YOU CANNOT ACCEPT GIFTS FROM OUTSIDE SOURCES

Absolutely Prohibited Gifts and Sources

There are five general circumstances in which gifts can never be accepted and there are no exceptions. These are:

- Accepting a gift in return for being influenced in the performance of your official duties (a bribe!);
- Asking for or forcing the offering of a gift;
- Taking gifts from the same or different sources so often that it appears you are using your Government job for your private gain;
- Taking gifts that violate any law; or
- Accepting training from a vendor that violates the procurement rules. **(5 C.F.R. § 2635.202(c))**

Gifts that are Okay to Accept - Even from a "Prohibited Source"

You are probably thinking, "I'll just say 'no' to any gift." However, there are exceptions to the "gift rule" that permit you to accept gifts from prohibited sources that otherwise would not be allowed. But be careful because they are very specific. If you rely on an exception, you must be sure that you meet every condition set forth in the exception. The common exceptions include:

Gifts Worth \$20 or Less

This is the most frequently used exception to the general "gift rule." You can accept unsolicited gifts with an aggregate fair market value of \$20 or less on each occasion. This rule does not cover gifts of cash or stocks, bonds, or certificates of deposit. It also doesn't cover gifts that add up to over \$50 in value in any calendar year from any one source. This means you either have to keep track of what you have accepted or else pay your own way. **(5 C.F.R. § 2635.204(a))**

Gifts That are Based on a Personal or Family Relationship

You can accept a gift when the circumstances show that the gift was made because of a personal friendship or family relationship. For this exception, you may need to show the history of the relationship and whether the gift giver personally paid for it. **(5 C.F.R. § 2635.204(b))**

Other Common Exceptions to the "Gift Rule"

There are some additional exceptions that you may use. They are not always easy to follow, so be sure to review them carefully if you think they may apply to your situation:

- Certain discounts and similar benefits, such as a reduced membership fee for Government employees as a group;
- Certain awards and honorary degrees if they are bona fide awards for meritorious public service;

- Gifts, such as lodging, meals, or transportation, based on outside business or employment (either yours or your spouse's); when it is clear that they have not been offered or enhanced because of your official position. These might include benefits provided by a prospective employer;
- Free attendance at widely attended meetings and events where you are a speaker for the day or where your attendance is determined to be in the best interest of the agency;
- Free social invitations from people who are not "prohibited sources"; and
- Certain meals, refreshments, and entertainment in foreign areas where you are on duty or official travel, so long as they are not from a foreign government.

(5 C.F.R. § 2635.204)

For a discussion of all the exceptions to the gift rule, please review the OGE Standards at 5 C.F.R. § 2635.204.

Don't Forget - Use Common Sense

Pay your own way for meals and entertainment valued at over \$20; and take care of your transportation and accommodations. Keep proof of your expenses; and when in doubt, don't accept.

Remember: As long as you pay the fair market price for a product or service that you receive, it isn't considered a gift.

Properly Disposing of Prohibited Gifts

To repeat, if you have any questions or doubts about taking a gift from an outside source - ask! Do not accept something and then find out you have violated the "gift rule." There are measures that you can take if you have not immediately declined a gift (for example, to avoid public embarrassment to the donor):

- Give any tangible item back to the donor at Government expense, or pay its market value. In either case, write a letter to explain why, under the standards of ethics for Federal employees, you can't keep it or must pay for it. (If you can't return it because it is perishable, your supervisor, at his or her call, can let you give it to charity, share it in the office, or destroy it.)

- Pay back the market value of any entertainment, service, or other intangible item.

If you are offered or receive a gift for speaking in your official capacity, you may accept it, temporarily, even if it will later have to be returned. To decline acceptance of a gift during a seminar or other speaking engagement would embarrass the donor. (5 C.F.R. § 2635.205)

Gifts from Foreign Governments

The Foreign Gifts and Decorations Act, 5 U.S.C. § 7342, permits an employee to accept a gift of minimal value (currently \$335 or less) from a foreign government or international organization where it is offered as a souvenir or gesture of courtesy. If you receive a gift from a foreign government, please advise your supervisor and contact the Real Estate and Facilities Management office in Agency-Wide Shared Services, the office responsible for appraising foreign gifts, for further instructions. **NOTE:** (41 C.F.R. 102-42.10 The above value is effective as of January 1, 2008 and is revised every three years by GSA.)

Gifts among Employees - General Standards

Besides the "gift rule" for accepting gifts from outside sources, there are certain rules for giving and receiving gifts among employees. That does not mean you can't give presents; it just means paying attention to who is involved and what is to be given.

When giving or receiving gifts from employees, the following general rules apply:

- An employee cannot give, make a donation to, or ask for contributions for a gift to his/her superior. An official superior includes your immediate boss or anyone above your boss in the chain of command.
- An employee cannot accept a gift from another employee who earns less pay, unless the person giving the gift is not a subordinate and the gift is based on a strictly personal relationship.

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- In absolutely no case may an official superior coerce or force a subordinate to offer a gift.

(5 C.F.R. § 2635.302)

Gifts among Employees (Including Supervisors) - What You Can Give

There are three important exceptions to the above rules that allow gifts among employees and between an employee and a supervisor. The exceptions differ from those regarding gifts from outside sources, so please review them carefully. They are:

Gifts on an Occasional Basis

This exception allows gifts to be given and received on an occasional basis, including:

- Typical and recurring gift-giving occasions like birthdays and holidays, as long as they are items other than cash and worth no more than \$10 on each occasion;
- Personal hospitality at your home;
- Gifts that are customary for a host or hostess, like wine or flowers, even if they cost more than \$10;
- Food or refreshments to be shared at the office; or
- Leave donations, except for your immediate supervisor

(5 C.F.R. § 2635.304(a))

Gifts Recognizing Special, Infrequent Events

A second exception permits giving and accepting appropriate gifts, even if they cost more than \$10, for special, infrequent events:

- An occasion of personal significance like a marriage, illness, birth, or adoption; or
- An occasion that terminates a relationship between a boss and subordinate such as retirement, resignation, or transfer.

(5 C.F.R. § 2635.304(b))

Group Gifts

The third exception allows voluntary contributions and solicitations of nominal amounts for gifts to official superiors if the gifts:

- Recognize special, infrequent events; or
- Are occasional and consist of food and refreshments to be shared at the office.

(5 C.F.R. § 2635.304(c))

If you are unsure about a gift that you have received, or are going to give, consult your supervisor or the DEO for advice.

CONFLICTS OF INTEREST

The conflict of interest statutes and regulations are designed to ensure public trust and integrity in your official actions and in the programs and operations of government agencies. A conflict of interest refers to situations where your actions as a Service employee are influenced or may appear to others to be influenced by your private interests (usually of a financial nature).

Conflicting Financial Interests

In some cases, your personal financial interests will keep you from participating in deliberations, decisions, or actions on the job. You could have a financial interest from your ownership of stock, bonds, mutual funds, and real estate, as well as from receiving salary, a loan, or a job offer. Do you have to worry about something that might raise a “conflict of interest,” that is, a conflicting financial interest? Or maybe your spouse works for a contractor that is doing business with the Service or is a partner in a law firm that represents taxpayers before the Service. Do you have to worry that your spouse’s employment may cause a conflict with your official duties? A criminal law prohibits you from participating as an employee in certain matters in which you have a financial interest. Familiarizing yourself with these rules will prevent you from falling into a situation that could present a conflict of interest. The details, however, are complex and can raise many questions. Your manager and the DEO are available to answer these questions.

(5 C.F.R. 2635 Subpart D)

The General Conflict of Interest Rule

You may not participate personally and substantially in any “particular matter” in which, to your knowledge, you or any person whose interests are imputed to you has a “financial interest”, if the particular matter will have a direct and predictable effect on that interest.

(18 U.S.C. § 208(a); 5 C.F.R. § 2635.402(a))

If you have such a conflict, you are required to disqualify yourself from participating in the particular matter in question, unless a regulatory exemption applies. You must tell the person who gave you the assignment of your financial interest. If you are responsible for your own assignment(s), make sure you don't participate. Even if you are not required to do so, you may wish to provide written notice of your actions to a supervisor. **(5 C.F.R. §2635.402(c))**

Example: If your spouse works for a contractor that does business with the Service and receives a bonus based on the success of a Service contract, you may not participate in any evaluation of the contractor's performance. Your spouse's bonus is a financial interest which is imputed to you under the conflict of interest laws and an evaluation of the contractor's performance will have a direct and predictable effect on whether the contractor awards bonuses.

What is a "Particular Matter"?

A “particular matter” is any matter that involves deliberation, decision or action that is focused on the interests of specific persons or a discrete class of persons (e.g. pharmaceutical industry). Most of us work on particular matters everyday. Some examples of particular matters are:

- Tax examinations
- Judicial or other proceedings (Tax Court, Equal Employment Opportunity Commission, etc.)
- Contracts
- Private Letter Rulings (and other requests for a ruling or determination)
- Policy making and legislation that is narrowly focused on the interests of a discrete class, such as a single industry.

(5 C.F.R. §2635.402(b)(3))

What is a "Financial Interest"?

This broadly defined term covers:

- An ownership stake in a property or business.
- Stocks, bonds, partnership interests, or other securities;
- Paid employment relationship;
- Stock options or commodity futures;
- Paid or unpaid service as an officer of a profit or nonprofit organization; or
- A Whistleblower claim.

For conflict of interest purposes, financial interests include your own, as well as those of:

- Your spouse;
- Your minor child;
- Your general partner;
- An organization in which you are an officer, director, trustee, general partner, or employee; and
- A person or organization with whom you are negotiating for or have an arrangement concerning prospective employment.

(See Page 15 of the Plain Talk Guide for a discussion of the rules governing seeking other employment.)

(5 C.F.R. §§ 2635.402(b)(2), 2635.403(c))

What is a "Direct and Predictable Effect"?

A “direct and predictable effect” means a real possibility that the financial interest will be affected, either for a gain or loss. There must be a close causal link between any decision or action to be taken in the matter and any expected effect on the financial interest. **(5 C.F.R. § 2635.402(b)(1))**

Waiver of or Exemptions from Disqualification

There are two types of waivers: regulatory and individual. A regulatory waiver, commonly referred to as an exemption, is in effect a blanket determination that certain types of financial interest are too remote or inconsequential to affect

the integrity of an employee's services. An individual waiver may be available in very limited situations and is granted on a case by case basis under detailed Governmentwide and agency procedures. The Service officials who are authorized to grant waivers upon consultation with the DEO are listed in Delegation Order No. 1-21. Individual waivers are seldom granted, and the DEO can give you more details if needed. (18 U.S.C. § 208(b)(1), (2); 5 C.F.R. §§ 2635.402(d), 2640.201-202, 301-304)

Permitted Personal Financial Interests – Regulatory Waivers

The OGE has established certain regulatory exemptions to the general rules regarding disqualification due to conflicting financial interests. Two of the more common exemptions permit employees to carry out official activities relating to companies in which they own stocks or bonds if the total market value of the holdings of an employee, the spouse, and minor children does not exceed \$15,000 or if the holdings are in a diversified mutual fund (regardless of amount). If the holdings are greater than this minimum amount or are not in a diversified mutual fund, employees should notify their supervisor to disqualify themselves from working on this activity. Under certain circumstances, employees may be required to divest continuing financial interests. (5 C.F.R. Part 2640, §§ 2635.402(d)(1), (e))

Impartiality in Performing Official Duties

There are certain situations where you will have to disqualify yourself from participating in a matter to avoid an appearance of a lack of impartiality, even though the facts do not rise to the level of an actual conflict of interest. You must be concerned about the appearance of a loss of impartiality in the performance of your duties in the following circumstances:

- When you become involved in a particular matter with a specific party that you know is likely to have a direct and predictable effect on the financial interests of a member of your household; or
- When you become involved in a particular matter

in which you know a person with whom you have a “covered relationship” is or represents a party to the matter. Under the ethical standards, you will have a “covered relationship” with the following persons:

- Someone with whom you have or are seeking a business, contractual or financial relationship that involves other than a routine consumer transaction;
- A relative with whom you have a close personal relationship or member of your household;
- An organization for which your spouse, parent or dependent child is, to your knowledge, working or seeking to work;
- An organization for which you worked in the past year; or
- Certain organizations in which you are an active participant.

If you think a reasonable person who knew the facts would question how impartial you might be, then you should not participate in the matter unless someone in your management chain, after consultation with the DEO, authorizes you to do so. It is advisable to seek advice in questionable situations. (5 C.F.R. §§ 2635.501-503)

You may also need to disqualify yourself even if the situation is not explicitly covered by either the conflict of interest provisions or the impartiality rules discussed above. For example, you are not considered to have a covered relationship with your best friend, but the ethics standards would still require your disqualification from a matter involving the financial interests of your friend because a reasonable person with knowledge of the relevant facts would question your impartiality. (5 C.F.R. § 2635.502(a)(2))

Authorization to Participate

After consultation with the DEO, your supervisor may authorize you to participate in a particular matter notwithstanding that your involvement would create the appearance of a lack of impartiality. Such authorization is appropriate where it is determined, in light of all relevant circumstances, that the interest of the Government in your participation outweighs the concern that a reasonable

person may question the integrity of the agency's programs and operations. (5 C.F.R. § 2635.502(a), (d))

Determination of a Potential Problem

In general, you are responsible for identifying situations that might result in the appearance of impartiality. If your involvement is questionable, you should disqualify yourself by not participating in the matter and notifying your supervisor. Because there are many factors involved in arriving at a determination, you should not attempt to make the determination yourself without seeking expert advice.

(5 C.F.R. §§ 2635.501-503)

Confidential Financial Disclosure Reports

Certain Executive Branch employees at GS-15 or below must file with their supervisor a Confidential Financial Disclosure Report (OGE Form 450) if they:

- Participate personally and substantially in: contracting/procurement, administering/monitoring federal grants, subsidies, etc.; regulating or auditing non-federal entities; or other activities having a direct and substantial economic effect on the interests of a non-federal entity; or
- Have official duties requiring disclosure in order to avoid a conflict of interest.

Special Government Employees (SGEs) who serve on Service advisory committees must also file a confidential financial disclosure report.

Employees covered by the filing requirement generally must file an OGE Form 450 within 30 days of entering a covered position and annually by February 15.

Questions related to the 450 program should be addressed to the Servicewide Ethics Program Operations office or individual Business Unit 450 Coordinators (5 C.F.R. § 2634.903- 904)

OUTSIDE ACTIVITIES AND EMPLOYMENT

Service employees will be allowed to engage in outside employment or business activity, whether performed outside official hours of duty or while in an approved leave status, as long as the activity is not specifically prohibited and does not conflict with their official duties. An outside employment or business activity will conflict with an employee's official duties if it:

- is prohibited by statute or the OGE or Treasury standards; or
- will require the employee's disqualification from matters that are so critical to the performance of his or her official duties that the employee's ability to perform those duties would be materially impaired.

The approval or disapproval of requests for outside employment or business activities is dependent on and subject to, individual considerations relevant in the judgment of the approving authority. Such considerations include an employee's position, grade, or geographical locale. Whether compensation is involved is usually not relevant to such determinations.

In addition to being disapproved based on a failure to comply with ethics rules, an outside employment request may be disapproved because the proposed outside activity would interfere with the employee's ability to perform official duties or impede the Service's mission.

(5 C.F.R. §§ 2635.801-802, 3101.104)

Outside Activities That Are Not Permitted

You may not participate in the following outside activities:

- Performing legal services involving Federal, State, or local tax matters. A tax matter is one in which the attorney is acting as a tax practitioner/advisor. For example, structuring the settlement of a civil damage suit where damages are apportioned between actual and punitive damages is not a tax matter. Further, drafting powers of attorney and simple wills where the estate is not subject to Federal or State estate taxes is permissible. However, providing tax-related planning advice would be prohibited. (5 C.F.R. § 3101.106(b)(1))

- Appearing on behalf of any taxpayer before any Federal, State, or local governmental agency in an action involving a tax matter, except with the written authorization of the Commissioner.
(5 C.F.R. § 3101.106(b)(2))
- Engaging in accounting or the use, analysis, and interpretation of financial records when such activity involves tax matters. (5 C.F.R. § 3101.106 (b)(3))
- Engaging in bookkeeping, recording of transactions or the record-making phase of accounting when such activity is directly related to a tax determination; and
(5 C.F.R. § 3101.106 (b)(4))
- Preparing tax returns for compensation, gift, or favor.
(5 C.F.R. § 3101.106 (b)(5))
- Acting as an agent or attorney for anyone in a claim against the United States or in a matter in which the United States is a party or has a direct or substantial interest, before any department, agency, or court, unless permitted by an exception found in 18 U.S.C. § 205. "You are also prohibited from accepting or seeking compensation for such representational services, whether performed by you or someone else, unless permitted by an exception found in 18 U.S.C. § 203. (18 U.S.C. §§ 203(a) and 205; 5 C.F.R. § 2635.801(d) (3) and (4))"

Outside Activities That Are Permitted

Legal Employment or Practice That Does Not Create a Tax-Related Conflict of Interest

Examples of legal services not considered to be involved in tax law are: adoptions; title searches; most law clerkships; and most legal services to immediate family and their estates.

Requests to engage in such legal services shall be approved so long as they are consistent with the OGE Standards, the Treasury Supplemental Standards, and other ethics provisions.
(5 C.F.R. § 3101.106)

Bookkeeping and Accounting Activities That Do Not Create a Tax-Related Conflict of Interest

Employees may engage in the full range of bookkeeping activities (for example, recording transactions, the record-making phase of accounting), provided the activity is not directly related to a tax determination. Employees may also engage in bookkeeping and accounting that is directly related to a tax determination in the following situations:

- Keeping the books for a firm owned or run by your immediate family and prospects for a conflict of interest are remote;
- Engaging in the activity for a civic, religious, educational, or charitable non-profit organization, where you are not paid for the work; or
- Engaging in business with your spouse with permission. (5 C.F.R. § 3101.106)

Restricted Activities: TEACHING, SPEAKING, and WRITING

Employees generally may not receive compensation from any source other than the Government for teaching, speaking, or writing that is related to official duties. Such activities relate to official duties when:

- the activity is undertaken as part of official duties;
- the invitation to teach, speak, or write is extended primarily because of your official position rather than because of expertise on the subject matter;
- the invitation or offer of compensation is extended by someone whose interests may be affected substantially by how your official duties are performed;
- the activity draws substantially on non-public information; or,
- in general, the subject of the activity deals significantly with agency programs, operations, or policies; or, current or recent assignment(s). (5 C.F.R. § 2635.807)

Major Exception: The teaching restriction does not apply to multiple presentations for courses that are offered as

part of a regularly established curriculum at **qualifying** institution(s). **(5 C.F.R. § 2635.807(a)(3))**

In general, if you are engaged in teaching, speaking or writing as outside employment or activity, you cannot use your official title or position to identify yourself in connection with that activity or to promote a book, seminar, course, program, or other undertaking. You may, however, use your official title or position in connection with your teaching, speaking or writing in the following manner:

- as part of a biography, provided your title or position is not given more prominence than other significant biographical details;
- for identification as an author of an article in a scientific or professional journal, provided you include a reasonably prominent disclaimer stating that the views expressed in the article do not necessarily represent the views of the IRS or the United States.

Definition: COMPENSATION - generally includes any form of consideration or income (e.g., gifts, transportation, or lodging). **(5 C.F.R. § 2635.807(a)(2)(iii))**

Exception: With the exception of certain covered non-career employees, you may be allowed to accept travel expenses incurred in connection with teaching, speaking, or writing within your area of expertise even though it deals with a subject within the authority of the IRS. **(5 C.F.R. §§ 2635.807(a)(2)(i)(E)(3) and Note, 2635.807(a)(2)(iii)(D))**

DO I NEED PERMISSION FOR OUTSIDE ACTIVITIES OR EMPLOYMENT?

Generally, you must obtain written approval before engaging in any outside employment or business activity whether or not you are paid for the work. **You can obtain approval by submitting Form 7995, Outside Employment or Business Activity Request, to your manager.** However, you do not need written permission to engage in outside activities that are not considered to be employment or business activities. **(5 C.F.R. §§ 2635.803, 3101.104)**

The approval or disapproval of your request should be made within 10 workdays from receipt of your fully completed

request by management. If a response is not received within the period prescribed, the request will be considered denied. After your request has been approved or disapproved by the approving official, your office will give a copy of the signed request to you and your manager. Your office will also forward the original and one copy of the Form 7995 to the servicing Labor Relations Office. The original will be placed in your Official Personnel File (OPF) and the copy will be kept in the master reference file in the Labor Relations Office.

If you should change positions or if your location changes, or if the nature of your outside employment or business activity changes, you must submit a new Form 7995 and indicate in Item #6 that you have an approved outside employment request in your previous location. You should ask your manager for the file copy of the previously approved form. You should write "VOID" across the face of the form, sign and date it. Your manager will then forward the form to Labor Relations.

Exception: Seasonal employees in a non-duty status may engage in outside employment or activities without prior written permission. However, seasonal employees may not engage in prohibited outside activities. Upon returning to duty status, seasonal employees must submit a written request for permission, using Form 7995, if they wish to continue outside employment. **(5 C.F.R. § 3101.106(c))**

Can I Appeal A Denial Of My Request To Engage In Outside Employment?

If you desire to file a grievance as a result of denial of permission to engage in outside employment or business activity, you may appeal the disapproval decision in accordance with the streamlined negotiated grievance procedure, in Article 6, and Article 41, Section 17 of the National Agreement, or pursuant to IRM 6.771.1, Internal Revenue Agency Grievance System, as applicable.

In addition, you may also seek a written opinion from the DEO. Please follow the procedures for seeking DEO advice found in this Guide under the section entitled, "What are the procedures for seeking written advice from the DEO?"

ACTIVITIES THAT DO NOT REQUIRE PERMISSION

Permission is not required to engage in outside activities that are not considered employment or business. Although every specific activity is not covered, the following general categories are furnished as basic guidelines:

- Membership and services (including holding of office) in civic, scout, religious, educational, fraternal, social, community, veteran, and charitable organizations, including corporations, where such office or services do not entail the management of a business type activity such as the direct operation of a commercial type clubhouse.
- Membership and services (including holding of office) in Federal employee organizations and recognized Federal employee unions. However, employees in certain positions (e.g., Senior Executives) are prohibited from holding office in Federal employee unions. If there is any doubt as to the propriety of accepting an office, the matter should be promptly referred to the servicing Labor and Employee Relations office for assistance.
- Membership and services (including holding office) in the local office of a credit union, whether or not it is run by or for IRS personnel. Services may include paid bookkeeping work performed by the treasurer, or part-time clerical or teller services.
- Services as a Notary Public.
- A sale of articles to coworkers, friends, relatives, and neighbors not involving sales to, and solicitation of, the general public. Such sales must not be solicited for or transacted during office hours or in space occupied by Treasury or Service offices.
- Minor services and odd jobs for friends, relatives, or neighbors.
- Furnishing advice and assistance in the preparation of tax returns where no fee or other consideration is accepted.
- Rental of personally owned property, real or personal. However, employees must seek written approval if

the extent or scope of such rental activities could lead others reasonably to conclude that the employee is involved in the operation of a commercial business venture.

- Temporary (30 days or less) emergency assistance in a family enterprise in cases of an emergency, such as the death or serious illness of, or incapacitating accident to, a member of the family engaged in such business. This exception is meant to ensure that the employee will not, by administrative restrictions, be denied the right immediately to assume a share of the responsibilities in family emergencies. Written permission is required if the need for such assistance continues beyond 30 calendar days or occurs more often than once in a calendar year.
- Being custodian of one's child's property, or acting as administrator, executor, guardian, or attorney-in-fact for a relative or friend provided the duties do not entail operation of a business. Such services are not considered legal employment or practice. Acceptance of an executor's or trustee's fee is permissible if no part of the fee is specifically identified as payment for tax return preparation.
- Unpaid bookkeeping, preparation of tax returns and other forms required by the Service, and the maintenance of other records for civic, religious, educational, and charitable non-profit organizations which are exempt from Federal income tax.

Fundraising Activities

Ethics rules place restrictions on any activity at work involving raising funds for a charity, either in your official capacity or in a personal capacity. If it's part of your official duties, you may use your official title, position, and authority to engage in the fundraising activity (e.g., signing a memorandum to employees about the Combined Federal Campaign). You may engage in fundraising in your personal capacity outside the workplace so long as you don't solicit funds personally from a subordinate or prohibited source (discussed under gifts), and you don't use your official title or position in the fundraising effort.

IRS employees may refuse to participate in voluntary Government-sponsored fundraising campaigns, and supervisors may not exert pressure on the employees to participate. **(5 C.F.R. § 2635.808)**

Political Activity and Legislative Advocacy

You may take an active part in political activities to the extent not expressly prohibited by the Hatch Act and its regulations.

For most employees, permissible activities include:

- being a candidate for public office in nonpartisan elections;
- assisting in voter registration drives; and
- campaigning for or against candidates in a partisan election.

Impermissible activities include:

- soliciting or discouraging political activity of anyone with business before the agency;
- being candidates for public office in partisan elections; and
- engaging in political activity while on duty, in a government office, wearing an official uniform, or using a government vehicle (such as wearing political t-shirts and buttons or sending political e-mails).

Additional information on permissible and restricted political activities is contained in 5 U.S.C. § 7321-7326 and in 5 C.F.R. § 734.

Hatch Act

Some political activities, while permissible under the Hatch Act, are still considered outside activities for which management's approval is needed (e.g., campaign manager, candidate for office, election judge). Employees should submit an Outside Employment or Business Activity Request, Form 7995, to management for approval before engaging in the political activity. Questions regarding whether a Form 7995 is required may be directed to your

manager, your local Labor Relations Office, or the DEO via the Ethics Hotline at (202) 927-0900 or e-mail at GLS.Ethics@irs.counsel.treas.gov.

The Hatch Act rules are somewhat different for career members of the Senior Executive Service and employees of the Service's Office of Criminal Investigation.

You may address questions on this issue to your servicing Labor and Employee Relations office. You may also obtain Hatch Act advice from the Hatch Act Unit of the U.S. Office of Special Counsel. **(31 C.F.R. § 0.201)**

SEEKING OTHER EMPLOYMENT

This section deals with conflicts of interest and appearances of a lack of impartiality that might arise in situations where you are seeking employment in a job outside the Government, to be held either at the same time as or after you leave your Federal job. **(5 C.F.R. 2635 Subpart F)**

Definition of "Seeking Employment"

You are considered to be "seeking employment" if:

- You're engaged in actual "negotiations" for a job (see definition of "negotiations" below);
- You've contacted a prospective employer or agent or intermediary of the employer about employment (unless you just asked for a job application); or
- A potential employer contacted you about possible employment and you didn't say "no."

You are no longer seeking employment if your prospective employer turns you down or two months have gone by and the employer never contacted you.

(5 C.F.R. §§ 2635.603(b))

"NOTE: Only a complete rejection of a prospective employment opportunity ends seeking outside employment. A response such as "not now, but maybe in a few months" does not qualify as an end to seeking employment."

(5 C.F.R. § 2635.603(b)(1))

Definition of "Negotiations"

"Negotiations" are discussions or communications with a prospective employer or its agent, mutually conducted with a view toward reaching an agreement regarding possible employment.

What Do I Need to Do if I am Seeking or Negotiating for Employment?

If you are actively seeking employment, negotiating for employment, or if you already have an arrangement concerning prospective employment, you must disqualify yourself from participating in any matter that will have a direct and predictable effect on that company's financial interests.

Note: If you contact a recruiting firm or a recruiting firm contacts you, you do not have to disqualify yourself from a matter until a prospective employer is identified or circumstances indicate who the prospective employer is even if it is not specifically identified.
(5 C.F.R. §§ 2635.601-606)

Although this handbook is for current employees, please note that some rules may apply to employees after they leave the government. For more information, please see IRS Document No. 7106, visit the Leaving Government Tab in the Internal Revenue Service EthicsLink website, or contact the DEO.

MISUSE OF POSITION

This section gives specific prohibitions against improper use of your official time, authority, information, and resources that you have access to as an Internal Revenue Service employee.

Using Your Public Office for Private Gain

An important principle of federal employment is that you do not use your public office for private gain. That means you can't use your Government position to benefit yourself or relatives, friends, organizations with which you are affiliated

(including nonprofit organizations), and companies with which you have or are seeking employment, even if you see no harm to the Government. (5 C.F.R. § 2635.702(a))

Inducement or Coercion of Benefits

You cannot use or permit the use of your position, title, or authority to persuade or force another person, including a subordinate, to provide a benefit (financial or otherwise) to yourself, friends, or outside affiliates. This would include requesting or requiring an employee under your supervision to act as a co-maker, co-signer, or endorser in any financial matter. (5 C.F.R. § 2635.702(a))

Threatening to audit a taxpayer for the purpose of extracting personal gain or benefit is a violation of RRA '98, §1203(b) (10).

Appearance of Government Sanction of Personal Activities (including Letters of Recommendations)

You may not use or let anyone else use your Government position, title, or authority in ways that would make people think that the Service or the Government sanctions or endorses your personal activities or those of someone else. You can sign a letter of recommendation using your official title only if you've been asked for an employment recommendation or character reference based on your personal knowledge of the ability or character of a person you have dealt with in the course of your federal job or whom you are recommending for a federal job.
(5 C.F.R. § 2635.702(b))

Endorsements

You generally must not use or allow the use of your Government position, title, or authority to endorse products. Limited exceptions to this prohibition are provided in OGE regulation.
(5 C.F.R. § 2635.702(c)).

USING AND ACCOUNTING FOR OFFICIAL TIME AND GOVERNMENT PROPERTY

You are responsible for protecting and conserving Government property and official time, and using both only for authorized purposes.

Use of Official Time

Unless authorized in accordance with law or regulation to use such time for other purposes, you must use official time in an honest effort to perform official duties. You may not ask, encourage, coerce or direct subordinates to perform activities on official time except for activities that are required to perform official duties or are authorized by law or regulation. (5 C.F.R. § 2635.705)

Government Property

You should be particularly sensitive to the use of the following types of Government property:

- DRS and other IRS computer systems
- IRS-owned computer and software
- Photocopy machines
- Office supplies
- Government Credit Cards, e.g., travel, purchase, fleet, and phone
- Enforcement badges and credentials
- Government owned/leased vehicles
- Telephone lines
- Government mail, and
- Government records
- Tax returns and return information

(5 C.F.R. § 2635.704; Taxpayer Browsing Protection Act of 1997 and Supplemental Guide for IRS - Awareness Briefing on Unauthorized Access - UNAX, IRS Document 10391)

IRS policy allows employees to use government information

technology equipment for other than official Government business under limited circumstances. Please refer to the Internal Revenue Service (IRS) Policy on Limited Personal Use of Government Information Technology Equipment/Resources for detailed information. (IRM 10.8.27.2)

Use of Pocket Commissions, Enforcement Badges, and ID Cards

Pocket commissions, enforcement badges, and various identification cards issued to employees are to be used to establish identification or authority in connection with official duties.

They may be used for personal identification purposes, e.g., for cashing checks, or as proof of employment. They may not be used to exert influence or obtain privileges, favors or rewards. (RRA '98, §1203(b)(10))

In addition, photographing, duplicating, or making an impression of any badge, credential, identification card, or other insignia of any department or agency of the United States for fraudulent purposes in violation of 18 U.S.C. 701.

Care of Documents and Data

You must have proper authority before accessing, concealing, removing, changing or destroying any federally held document or data. (31 C.F.R. § 0.205)

Use of Government Vehicles

You may not use Government vehicles for unauthorized purposes, including transporting unauthorized passengers. You may use a Government vehicle for commuting purposes only when authorized by statute. (31 C.F.R. § 0.209)

Also see 31 U.S.C. §§ 1344, 1349 and Real Estate and Facilities Management, Motor Vehicle Management, published in IRM 1.14.7, for additional information on the use of government vehicles.

Use of Telephone Lines

Government telephone lines are provided for the conduct of official business. (5 C.F.R. § 2635.704)

Personal calls may be made if limited to a reasonable duration and frequency, in accordance with Government regulations and policy. Examples of permitted phone calls are: calls to notify family or doctors of illness or injury on the job; to notify friends/family of delays; about business and transportation problems; made daily within the commuting area to a spouse or minor children; within the commuting area to locations that can only be reached during working hours; and within the commuting area to arrange for emergency repairs to home or car.

Important: You may not use the telephone at work to make calls related to a second job, such as selling cosmetics or real estate.

Computers

You must make every effort to ensure the security and prevent the unauthorized disclosure of protected information/data in the use of Government-owned or leased computers. In addition, you may not use any Service computer system for other than authorized purposes.

(5 C.F.R. § 2635.704; IRM 10.8.27, IRS Policy on Limited Personal Use of Government Information Technology Equipment/Resources)

Purchasing Government Assets

As a rule, you may not purchase property owned by the Government and under the control of the Service; sold under the direction of the Service; or, sold incident to the function of the Service, e.g. public auction of seized taxpayer assets. **(5 C.F.R. § 3101.103)**

Exception: This prohibition does not apply to the purchase of Government securities or items sold generally to the public at fixed prices.

With the written approval of your immediate supervisor and the DEO, you may make a purchase that would otherwise be prohibited by **5 C.F.R. § 3101.103**. Such a waiver requires a determination that: it is otherwise legally permissible; a reasonable person with knowledge of the particular circumstances would not question whether you used your official position or inside information to make an

advantageous purchase or create an appearance of loss of impartiality in the performance of your duties

Loss, Damage, and Return of Property

You are expected to report promptly the loss of, or damage to, Government property entrusted to you. You must return all Government property upon separation from the Service.

Influencing Legislation or Congress

You may petition members of Congress or furnish information to either House of Congress when not using Government time, money, or property.

You may not use Government time, money, or property to petition a member of Congress to favor or oppose any legislation. **(18 U.S.C. §1913; 31 C.F.R. §0.212)**

Exceptions: The prohibition does not apply to the official handling, through proper channels, of matters relating to legislation in which the Department of the Treasury has an interest.

MATTERS CONCERNING PERSONAL ACTIVITIES

This section addresses activities, whether performed on personal or official time, that are deemed to have a negative effect on the Service's mission and the integrity of its operations or the public's perception of and confidence in the Service.

Personal Associations and Activities

You are prohibited from engaging in criminal, infamous, dishonest, or notoriously disgraceful conduct, or any other conduct prejudicial to the Government. **(31 C.F.R. §0.213)**

You will be held responsible for any public discredit that may result from unjustified association with criminal or notoriously disreputable persons. **(5 C.F.R. § 735.102,735.203)**

Use of Controlled Substances

"You may not sell, use, or possess controlled substances or intoxicants unlawfully while on Department of the Treasury

property or official duty." You may not use controlled substances or intoxicants in any way that adversely affects your work performance. **(31 C.F.R. §0.204)**

Gambling

You may not conduct, or participate in, any gambling activity including the operation of a gambling device, conducting a lottery or pool, a game for money or property, or selling or purchasing a numbers slip or ticket while on Government-owned or leased property or while on duty for the Government. **(5 C.F.R. § 735.201)**

NOTE: This does not preclude activities necessitated by an employee's official duties or under section 7 of Executive Order 12353 (pertaining to charitable fundraising) and similar agency-approved activities.

Safeguarding The OPM and Foreign Service Examination Processes

You may not engage in teaching, lecturing, or writing (either with or without compensation) for the purpose of preparing a person or group of people to take an Office of Personnel Management (OPM) or Board of Examiners for the Foreign Service examination using information obtained as a result of your government employment.

Exception: This type of preparation is allowed if the information used has been made available to the general public or will be made available on request. Such preparation must also be authorized in writing by the Director of OPM or his/her designee, or by the Director General of the Foreign Service, or his/her designee, as applicable.

(5 C.F.R. §735.202)

Assault And Battery

You may be removed from Federal Service for assault or battery on a taxpayer; a taxpayer's representative; or on another employee of the IRS when there has been a criminal conviction or a final adverse judgment by a court in a civil case with respect to the assault or battery.

(RRA '98, §1203(b)(5))

Retaliation And/Or Harassment

Violation of the Internal Revenue Code of 1986, Department of Treasury regulations, or policies of the IRS (including the IRM) for the purpose of retaliating against, or harassing, a taxpayer, a taxpayer's representative, or other employee of the IRS may be cause for removal under **RRA '98, § 1203(b)(6)**.

Discriminatory Conduct and Sexual Harassment

With respect to a taxpayer, taxpayer's representative, or other employee of the Internal Revenue Service, the violation of:

- (1) any right under the Constitution of the United States; or
- (2) any civil right established under –

- (i) title VI or VII of the Civil Rights Act of 1964;
- (ii) title IX of the Education Amendments of 1972;
- (iii) the Age Discrimination in Employment Act of 1967;
- (iv) the Age Discrimination Act of 1975;
- (v) section 501 or 504 of the Rehabilitation Act of 1973; or
- (vi) title 1 of the Americans with Disabilities Act of 1990 is a violation of **RRA '98, § 1203(b)(3)** and may be a violation of **31 C.F.R. § 0.214**.

Meeting Your Financial Obligations

You must meet any just financial obligations, especially those such as Federal, State, or local taxes that are imposed by law. A just financial obligation includes any financial obligation you acknowledge or an obligation reduced to judgment by a court. You must fulfill these obligations in good faith, with the honest intention to fulfill them in a timely manner. **(5 C.F.R. § 2635.809)**

IRS employees must be particularly conscientious about compliance in tax matters.

Willful failure to file any tax return required under the Internal Revenue Code of 1986 on or before the date prescribed (including any extensions), unless such failure is due to

reasonable cause and not to willful neglect, violates **RRA '98, §1203(b)(8)**.

Willful understatement of federal tax liability, unless such understatement is due to reasonable cause and not to willful neglect, violates **RRA '98, § 1203(b)(9)**.

RULES CONCERNING EMPLOYEE CONDUCT AND OFFICIAL ACTIVITIES

In order for the Service to serve the public interest, the Service and its employees must hold and maintain the confidence and esteem of the public we serve. To achieve this, you are expected to conduct yourself in official relations with the public and with your fellow employees, in a courteous, businesslike, and diplomatic manner.

You have certain rights if you are the subject of a conduct investigation or are being interviewed as a third-party witness concerning the conduct of another employee. Refer to the IRS-NTEU National Agreement, Article 5 Section 4 and Section 6 for further information regarding official inquiries.

COOPERATING WITH OFFICIAL INQUIRIES

When directed by competent Treasury authority, you must provide information (orally and/or in writing), and respond to questions (under oath when required) concerning matters of official interest. **(31 C.F.R. § 0.207)**

You have certain rights if you are the subject of a conduct investigation or are being interviewed as a third-party witness. Refer to the IRS-NTEU National Agreement, Article 5, Section 4 and Section 6 for further information regarding official inquiries.

TESTIMONY IN STATE or LOCAL COURTS

You may not provide official records or testimony regarding your employment or official duties to any person, officer or court, state or local, without receiving express authority. (31 C.F.R. § 0.206) Upon receipt of any subpoena regarding a

matter of official interest, you must promptly seek guidance from your supervisor.

REPORTING INFORMATION INDICATING MISCONDUCT

If you have information which indicates that another employee has engaged in criminal conduct or violated any of the ethics standards or rules of conduct, you should promptly report such information to the Treasury Inspector General for Tax Administration (TIGTA).

(31 C.F.R. §0.107(a)(3))

REPORTING ATTEMPTED BRIBES

Attempted bribery is a particularly insidious type of corruption. Attempts to bribe IRS employees represent flagrant attacks on the IRS and its employees. To help the Service preserve the highest level of integrity, you must be aware of, and alert to, such overtures being made to you. Report bribery attempts promptly to TIGTA.

(31 C.F.R. §0.107)

FALSE STATEMENTS

You shall avoid making false, misleading or ambiguous statements, willfully or deliberately, whether oral or written, in connection with any matter of official interest. Examples of such matters include: :

- transactions with the public, other Federal agencies, or fellow employees;
- application forms and other forms that serve as a basis for appointment, reassignment, promotion, or other personnel action;
- vouchers; leave records; work reports of any nature or accounts of any kind; affidavits; entry or record of any matter relating to or connected with the employee's duties; and report of any monies or securities received, held or paid to, for or on behalf of the United States.

(31 C.F.R. §0.208; 18 U.S.C. §1001)

In addition to violating the proscriptions in the regulation and statute listed above, certain false statements may also

violate the IRS Reform and Restructuring Act of 1998 (RRA '98). Examples include:

Providing a false statement under oath with respect to a material matter involving a taxpayer or a taxpayer's representative **(RRA '98, §1203 (b)(2))**

Falsifying or destroying documents to conceal mistakes made by any employee with respect to a matter involving a taxpayer or a taxpayer's representative **(RRA '98, §1203(b)(4))**

TRADE SECRETS, STYLE OF WORK, etc.

You may not disclose, in any manner, information that comes to your attention in the course of your work or official duties concerning or related to trade secrets, style of work, apparatus of any person, firm, or entity, or any other confidential or proprietary information not authorized by law to be disclosed. Examples include advance notices of company mergers or takeovers, upcoming style changes, or unique methods of operations.

(5 C.F.R. §2635.902(aa); 18 U.S.C. §1905)

SAFEGUARDING OFFICIAL INFORMATION

You are responsible for properly using and safeguarding official government information. There are certain types of information that you gain through your employment with the Service that cannot be disclosed to the general public. These could include confidential information; personal information about an employee; or proprietary business information. Furthermore, you may not use nonpublic information to engage in financial transactions or allow its improper use to further your own or another person's private interests.

(5 C.F.R. §2635.703(a))

You may not disclose official information without either appropriate general or specific authority under Department or Service regulations. Employees who are so authorized should make every effort to comply promptly and courteously with requests by the public for information, when permitted to do so by law. **(31 C.F.R. §0.206)**

You may contact your local Disclosure Office for further information on the rules governing disclosure of official information (see also IRM 11.3. – Disclosure of Information Handbook)

TAX INFORMATION - CONFIDENTIALITY

Under the Internal Revenue Code (IRC), employees must carefully protect the confidentiality of tax returns and tax return information. You must keep taxpayer and tax return information confidential and not discuss or in any way disclose the information to anyone inside or outside the IRS, unless you are authorized to do so in the performance of your official duties **(5 C.F.R. §2635.703, 2635.902(aa))**

Willful misuse of the provisions of § 6103 of the Internal Revenue Code of 1986 for the purpose of concealing information from a congressional inquiry violates **RRA '98, 1203(b)(7)**.

Use of Tax Returns

You may not access tax returns or tax return information, even your own, except in the course of performing official duties. **(Taxpayer Browsing Protection Act of 1997 and Supplemental Guide for IRS - Awareness Briefing on Unauthorized Access - UNAX, IRS Document 10391)**

Willful failure to obtain the required approval signatures on documents authorizing the seizure of a taxpayer's home, personal belongings or business assets violates **RRA '98, §1203 (b)(1)**.

LOYALTY and STRIKES

You must adhere to your oath of office and appointment affidavit, which includes provisions on loyalty and prohibitions against strikes. **(31 C.F.R. §0.202)**

PERFORMANCE OF DUTY

You are expected to conscientiously perform your duties to the Government and the public, respond readily to the direction of your supervisors, and conduct your relations with fellow employees in a manner that does not cause dissension or discord. **IRM 6.735.1.2(2)**

OBSERVANCE OF DUTY HOURS

You must observe designated duty hours and be punctual in reporting for work and returning from lunch and breaks. Leave is to be used in accordance with its intended purpose and must be approved in advance whenever possible.

(IRM 6.735)

POSSESSION OF WEAPONS

While on Government property or official duty, you may not carry firearms, explosives, or other dangerous weapons, whether or not they are concealed. This rule must be followed even if State law permits the carrying of concealed weapons.

Exception: This rule does not apply to employees who are required to carry weapons or explosives in the performance of their official duties.

(31 C.F.R. §0.215)

APPEARANCE

You are expected to groom yourself in a manner appropriate to the surroundings into which your work assignments take you.

(IRM 6.735)

SOLICITING, SELLING, AND CANVASSING

You may not undertake any of the following activities in any space occupied by the Treasury Department without appropriate authority: soliciting, making collections, canvassing for the sale of any article, distributing literature, or advertising.

(31 C.F.R. §0.211)

RECOMMENDING ATTORNEYS OR ACCOUNTANTS

You may not recommend, refer, or suggest an attorney, accountant, or legal or accounting firm to any person in connection with any official business that involves or may involve the IRS **(5 C.F.R. §3101.106(a))**

FOR ADDITIONAL INFORMATION ON ETHICS AND CONDUCT:

5 C.F.R. Part 2635 - Government-wide Standards of Ethical Conduct for Employees of the Executive Branch

5 C.F.R. Part 3101 - Supplemental Standards of Ethical Conduct for Employees of the Treasury Department

5 C.F.R. Part 735 - Office of Personnel Management Employee Responsibilities and Conduct

31 C.F.R. Part 0 - Department of the Treasury Employee Rules of Conduct

The Office of Government Ethics web site at:

www.usoge.gov

The Internal Revenue Service EthicsLink web site at:

<http://counsel.web.irs.gov/EthicsLink/>

WHO CAN HELP WITHIN IRS:

For assistance on ethical matters, ask your manager or contact the Deputy Ethics Official (DEO)'s Ethics hotline at (202) 927-0900 or e-mail GLS.Ethics@irsconsult.treas.gov.

The DEO may also be reached at the following address:

Internal Revenue Service
Office of the Associate Chief Counsel
General Legal Services
Ethics and General Government Law Branch
(CC:GLS:EGG) Room 6404
1111 Constitution Ave. NW
Washington, DC 20224

For assistance with conduct and discipline matters, contact your servicing Labor and Employee Relations office.

Plain Talk About Ethics and Conduct



Acknowledgement of Receipt

I have received a copy of Document 12011, “*Plain Talk About Ethics and Conduct*”. I am aware that it is my obligation to familiarize myself with it.

Employee's Name (Please Print)

Signature/Date

NOTES:

