



Reducing Risk. Unleashing Opportunity.

Preventing Nepotism in the Federal Workplace

Office of Ethics Brown Bag Series

Lisa V. Terry
Senior Vice President and
Chief Ethics Officer
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Why Discuss Nepotism



Why are We Discussing Nepotism?

- The Merit Systems Protection Board (MSPB) recommends that agencies train employees on the rules surrounding nepotism during a change in Administration
- Favoritism towards relatives serving in the public sector is fraught with potential conflicts
- Improper influence by federal employees in the hiring or promotion of relatives can derogate the merit system
- Allegations of nepotism can damage effectiveness of agency operations, cause severe harm to public trust, and lead to allegations of corruption



Anti-Nepotism Statute

5 U.S.C. § 3110(b); 5 C.F.R. § 310.103(a)

- Bars employees from appointing, employing or promoting individuals who are relatives
- Seeks to limit even the appearance of improper favoritism towards relatives,
- Assures that public officials cannot use their influence to advance their relatives in hiring or career advancement.
- Does not prohibit family members from public service
- Statute and implementing regulations make clear that even *recommending* a relative for appointment or promotion to someone lower in your supervisory chain is barred

Criminal Conflicts of Interest



Violations of the anti-nepotism statute may also violate the criminal conflict of interest statute, 18 U.S.C. § 208:

- Section 208 prohibits an employee from participating in any matter that would affect his financial interests or those imputed to him, including an employee's spouse or children
- Thus, while spouses could work in the same office, one spouse could not hire the other spouse to work there as well, or even recommend the other spouse for promotion
- The Chief Ethics Officer/DAEO does not have authority to waive 208 conflicts and must coordinate any waiver with the Department of Justice

Prohibited Personnel Practices



Office of Special Counsel (OSC) receives and investigates claims of prohibited personnel practices, including that which prohibits employees from:

- appointing, employing, promoting, advancing, or advocating for appointment, employment, promotion, or advancement, in or to a civilian position
- any individual who is a relative [father, mother, son, daughter, brother, sister, uncle, aunt, first cousin, nephew, niece, husband, wife, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half-brother, or half-sister] of such employee
- if such position is in the agency in which the employee is serving

MSPB Discipline for PPP Findings

Where OSC concludes that there has been a violation, it may request that Merit Systems Protection Board (MSPB) impose discipline--

- MSPB penalties include: reprimand, suspension, demotion, or removal; prohibiting the offender from working for the Federal Government for up to 5 years; and imposing a fine of up to \$1000. 5 U.S.C. § 1215(a)(3).
- For prohibited nepotism to occur as a PPP, there must be the act of “advocacy”:
 - speaking in favor of, recommending, commending, or endorsing a relative
 - mere presence of relative in the chain of command is insufficient

Tips for Reducing the Risk of Nepotism



- **Consultation.** If a situation could potentially pose a conflict of interest, consult the Ethics office
- **Disclosure.** Disclose any potential issues to a supervisor, the Office of Ethics, and/or the Office of the Inspector General so that the Bank can determine the proper approach
- **Recusal.** Ask to recuse yourself from involvement in the employment action. The best way not to become entangled in questionable conduct is to entirely avoid involvement whenever possible



Examples for Discussion



- The Deputy VP of your office has recently hired his son-in-law to an entry-level position within the office. The position is in a field for which the son-in-law has recently obtained his degree.
- A new employee has just started working at the Bank within your division in a newly-created position. After chatting with your new colleague for a bit, you discover that she is an old friend and former colleague of your SVP.
- Your son is looking for a summer job and you think he would be an excellent fit with one of the Bank's offices for their summer internship. You call one of your colleagues in that office who has met your son on several occasions and mention to her that your son is applying for the intern position.



Any Additional Questions?

Contact:

Lisa V. Terry – (202) 565-3195

Senior Vice President & Chief Ethics Officer and Designated Agency
Ethics Official

Felice Smith – (202) 565-3234

Senior Counsel & Alternate Designated Agency Ethics Official
(Acting)

Victoria Coleman – (202) 565-3436

Counsel

Or email any questions to: ethicsadvice@exim.gov