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Office of Government Ethics
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May 26, 2009
DO-09-020

MEMORANDUM

TO: Designated Agency Ethics Officials

FROM: Robert I. Cusick
Director

SUBJECT: Ethics Pledge Issues: Speeches and Pledge Paragraph 2; Intergovernmental Personnel Act Detailees

The Office of Government Ethics (OGE) continues to work with the White House Counsel's Office to identify and answer various questions concerning Executive Order 13490 and the Ethics Pledge for non-career appointees. OGE thought it would be useful to advise agency ethics officials of the resolution of two questions that recently arose at several agencies. The first question concerns how to apply paragraph 2 of the Pledge to an appointee who gives an official speech at an event sponsored by a former employer or client. The second question is whether the Pledge applies to non-Federal personnel detailed to an agency under the Intergovernmental Personnel Act. The answers to these questions are set out below.

Speeches and the Effect of Pledge Paragraph 2

OGE and the White House have received numerous questions about whether paragraph 2 of the Ethics Pledge prohibits an appointee from giving an official speech at an event sponsored by a former employer or client. Paragraph 2 prohibits appointees from participating, for two years after their appointment, in any particular matter involving specific parties that is directly and substantially related to a former employer or client. (Paragraph 2 is discussed in more detail in DO-09-011, http://www.usoge.gov/ethics_guidance/daeograms/dgr_files/2009/do09011.pdf.) With regard to speeches and presentations made in an official capacity OGE, in consultation with the White House Counsel's Office, has determined that the Pledge is not intended to prohibit an appointee from participating in an official speech unless the speech would have a demonstrable financial effect on the former employer or client.¹

¹ It is important to note that the Pledge does not apply to speeches given in an appointee's personal capacity. Presentations given in one's personal capacity may be subject to other ethics provisions, including 5 C.F.R. § 2635.807, 5 C.F.R. § 2635.808(c), and 5 C.F.R. part 2636.

By way of background, OGE has addressed the application of 18 U.S.C. § 208 and 5 C.F.R. § 2635.502 to official speeches on several occasions. *See, e.g.*, OGE Informal Advisory Letters 98 x 14; 96 x 2; 94 x 14. For purposes of section 208, OGE generally has viewed the decision to give an official speech as a particular matter. 96 x 2 (Ed. Note); *cf.* OGE, *Report to the President and to Congressional Committees on the Conflict of Interest Laws Relating to Executive Branch Employment* 8 (January 2006)(application of 18 U.S.C. § 205 to request for Government speaker). An employee is prohibited from giving an official speech to an organization whose interests are imputed to the employee under section 208, if the speech would have a direct and predictable effect on the organization's financial interest. In OGE's experience, usually the sponsor of an event will have a financial interest in an official speech only if an admission fee is charged, the event is a fundraiser, or the event is some kind of business development activity (such as a seminar for current or prospective clients).

For purposes of 5 C.F.R. § 2635.502, OGE also generally has viewed the decision to give an official speech as a particular matter involving the event sponsor as a specific party. OGE 98 x 14; OGE 94 x 14. If an employee has a covered relationship with the sponsor--for example, the sponsor is a former employer under section 2635.502(b)(1)(iv)--the employee should not participate in an official speech if a reasonable person would question his or her impartiality, absent an authorization under section 2635.502(d). OGE 94 x 14. Nevertheless, OGE certainly is aware of cases in which agencies have determined either that the circumstances surrounding the speech really did not raise any reasonable impartiality concerns or that any such concerns were outweighed by the need for the employee's services. *See* 5 C.F.R. § 2635.502(c), (d). In such cases, agency ethics officials often still will emphasize that the employee should not use the same organization as a preferred forum for repeated speeches when other comparable forums are available.

Pledge paragraph 2, of course, is similar in many respects to section 2635.502, including the focus on particular matters involving specific parties. *See* DO-09-011. Consistent with how speeches have been treated for purposes of 18 U.S.C. § 208 and 5 C.F.R. § 2635.502, the Pledge was not intended to sweep every official speech to a former employer or client under the bar of Pledge paragraph 2. The Executive order elsewhere recognizes that making a speech does not necessarily reflect a close affinity with the event sponsor. *See* Exec. Order 13490, sec. 2(j)(definition of former client excludes services limited to speech or similar appearance). While paragraph 2 does not include the same "reasonable person" clause as section 2635.502, the Pledge provision was not intended to bar speeches that do not implicate the underlying concerns about special access to Government decisionmakers who can bestow regulatory and financial benefits on former associates. *Cf. U.S. v. Sun-Diamond Growers*, 526 U.S. 398, 407 (1999)(dicta)(official speech to farmers about USDA policy should not be viewed as official act implicating illegal gratuities statute). In many cases, the sponsor will have an academic or policy interest in the subject matter of the speech but no direct pecuniary interest in hosting the speech itself.

This does not mean that paragraph 2 is wholly inapplicable to official speeches. Where the decision to give an official speech actually would affect the financial interests of the sponsor,

the concerns under the Pledge about special access are relevant. Thus, if the former employer or client charges an admission fee or organizes the event for the purpose of fundraising or business development, the appointee will be barred from giving an official speech, absent a waiver under section 3 of the Executive Order. Even where Pledge paragraph 2 is inapplicable, ethics officials are reminded to analyze any official speaking engagements under 18 U.S.C. § 208 and 5 C.F.R. § 2635.502, as discussed above.

Detailees under the Intergovernmental Personnel Act Are Not Subject to the Pledge

Several agencies have asked whether detailees under the Intergovernmental Personnel Act (IPA) are required to sign the Pledge. The short answer is no.

The IPA provides for the temporary assignment of personnel from certain non-Federal entities to Federal agencies. 5 U.S.C. § 3372; *see generally* DO-06-031, http://www.usoge.gov/ethics_guidance/daeograms/dgr_files/2006/do06031.pdf. The IPA clearly distinguishes between those who actually are appointed by an agency and those who are merely detailed from a non-Federal entity to an agency. 5 U.S.C. § 3374(a)(1),(2). IPA detailees from academia, State and local government, and non-profit entities may serve in executive branch agencies for two years with the possibility of a two year extension. While working in the executive branch, detailees remain employed by their institution or organization and return to their employer when the detail is over. Simply put, IPA detailees are not appointees at all. Therefore, they are not subject to the Pledge, which applies to "every *appointee* in every executive agency *appointed* on or after January 20, 2009." Exec. Order 13490, sec. 1 (emphasis added); *see also id.*, sec. 2(b).

This analysis would not apply to any personnel who actually receive an appointment under the IPA. However, as a general matter, OGE rarely encounters questions about IPA appointees. Agency ethics officials should contact OGE if they have any question about whether a particular IPA appointee should be considered a non-career appointee subject to the Pledge. *See generally* DO-09-010 (discussing criteria for appointments subject to Pledge).

