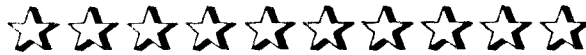


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A Brief Guide For EPA Executives



March 1993

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INTRODUCTION

This booklet has been designed for executives at the Environmental Protection Agency (EPA) by the EPA Committee on Integrity and Management Improvement (CIMI). All managers and supervisors should find this information useful.

As a Federal employee, you represent the Government to many people and your actions must always be above reproach. To guide you in this effort, a significant number of rules have been developed. We must all comply with the rules to ensure that government business is conducted properly, and that the high ethical standards of public service are met.

Some of the main areas on which you will need to focus your attention are covered briefly in this booklet. If you need additional information on any of the topics listed, please consult your Administrative Officer or the Agency contact referenced at the end of each section. The numbers listed here are for Headquarters only. Therefore, regional and field employees should consult their local directory for assistance.



John C. Martin
Chairman, Committee on Integrity and
Management Improvement
Environmental Protection Agency

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**ETHICS AND
INTEGRITY
ISSUES**



STANDARDS OF CONDUCT

The Code of Federal Regulations states that persons employed by the Federal government should avoid actions that might result in or create the appearance of:

- using public office for personal gain
- giving preferential treatment to anyone
- impeding government efficiency or economy
- losing complete independence or impartiality
- making a government decision outside official channels
- damaging public confidence in the integrity of the government.

These regulations prohibit the acceptance of gifts from persons or organizations whose interests may be affected by your activities. They govern outside activities, financial interests, the use of non-public information,

and the use of government property for other than official purposes.

In addition to government regulations, there are criminal statutes that govern ethical conduct. These prohibit official actions that affect your financial interests or those of your family or business associates. The statutes also prohibit supplementing your Federal salary, representing others before Federal agencies and certain post-employment activities.

For detailed guidance, call the Designated Agency Ethics Official, Office of General Counsel, on 260-8064.

Reference: 40 CFR Part 3.

GIFTS, ENTERTAINMENT AND TRAVEL EXPENSES

You may occasionally be offered meals, entertainment or other gifts in connection with your EPA duties. The general rule is that EPA employees may not accept any such gift from anyone who is attempting to influence the employee's official action, who has or is seeking to obtain an EPA contract or assistance agreement, or who conducts activities that EPA regulates. Employees also generally may not accept gifts which are given because of their official positions. You should consult 5 CFR Part 2635, Subpart B regarding exceptions to the rule. The Designated Agency Ethics official is available to assist you.

Gifts of official travel expenses are generally acceptable in the following circumstances: (1) travel expenses for attendance at conferences, meetings, or seminars when approved in advance by the Designated Agency Ethics Official or his designee (employees may accept tickets, rooms and

meals-in-kind—cash must be in the form of a check made out to EPA); (2) assignments under the Intergovernmental Personnel Act; (3) details to foreign governments and international organizations; (4) travel entirely outside the United States paid by foreign governments or public international organizations; (5) official EPA witness travel; and (6) travel under Federal Technology Transfer Act agreements.

Employees may accept and retain unsolicited gifts from foreign governments which are worth less than \$200 U.S. retail. Larger gifts must be turned over to the Assistant Administrator for International Activities for disposal under General Services Administration regulations.

Employees may not accept any honorarium for an appearance, speech or article. Certain payments in lieu of honoraria may be made to qualifying charitable organizations as long as the appearance, speech, or article is not related to EPA matters.

For additional information, contact the Designated Agency Ethics Official on 260-8064.

References: 5 CFR Part 2635, Subpart B;
5 U.S.C. 7342(c);
5 CFR Part 2636;
31 U.S.C. 1353;
41 CFR Part 304-10.

FINANCIAL DISCLOSURE REQUIREMENTS

The Ethics in Government Act of 1978 requires that most top Government officials file financial disclosure reports. An initial report must be filed within 30 days of appointment date. An annual filing is required by May 15 of each year. A final report must be filed within 30 days of leaving Government. These reports are available to the public.

Financial forms can be obtained from your Administrative Officer or Human Resources Officer. For additional information on reporting requirements, call the Designated Agency Ethics Official on 260-8064.

References: Ethics in Government Act of 1978, as amended by P.L. 96-19 and 96-28;
5 USC Appendix;
5 CFR Part 2634.

POLITICAL ACTIVITY

The Hatch Act generally bars Federal employees from any active participation in political management or political campaigns. This includes Schedule C employees. In EPA, only confirmed Presidential appointees are exempt from this restriction. However, Presidential appointees are prohibited from using Federal employees or equipment to assist them in their political activities. Intermittent employees, such as consultants, are covered by the Hatch Act only on the days they actually work for EPA.

There are also criminal statutes which bar soliciting or receiving money for political purposes from other Federal employees or making political contributions to or through other Federal employees; granting or withholding Federal benefits in exchange for political activity; and soliciting or receiving political contributions on Federal premises. These restrictions apply to all officers and employees, including confirmed Presidential appointees.

Thus, most Federal employees cannot be involved in partisan political campaign activities, including fund raising and running for office.

For additional guidance on or interpretation of the Hatch Act, call the Principal Deputy General Counsel, Office of the General Counsel, on 260-8064.

References: 5 USC Chapter 73, Subchapter III;
5 CFR Part 733.

CONTROLLED SUBSTANCE ABUSE

On September 15, 1986, President Reagan signed Executive Order 12564, establishing the goal of a Drug-Free Federal Workplace. The Order made it a condition of employment for all Federal employees to refrain from using illegal drugs on or off-duty. In a letter to all executive branch employees dated October 4, 1986, the President reiterated his goal of ensuring a safe and drug-free workplace for all Federal workers.

The Executive Order recognized that illegal drug use is seriously impairing a portion of the national work force, resulting in the loss of billions of dollars each year. As the largest employer in the nation, the Federal government has a compelling proprietary interest in establishing reasonable conditions of employment. Prohibiting employee drug use is one such condition. The EPA is concerned with the well-being of its employees, the successful accomplishment of Agency missions, and the need to maintain employee productivity. The intent of

the policy is to offer a helping hand to those who need it, while sending a clear message that any illegal drug use is, quite simply, incompatible with Federal service.

The purpose of the Drug-Free Workplace Plan is to set forth objectives, policies, procedures, and implementation guidelines, and to achieve a drug-free Federal workplace, consistent with the Executive Order and Section 503 of the Supplemental Appropriations Act of 1987.

For additional information, contact your Human Resources Officer.

References: Executive Order 12564;
Executive Order 10450;
Section 503 of the Supplemental
Appropriations Act of 1987, P. L. 100-71,
101 Stat. 391, 468-471, codified at 5
U.S.C. Section 7301 note (1987);
Scientific and Technical Guidelines for
Drug Testing Programs, Alcohol, Drug
Abuse and Mental Health Administration
(ADAMHA) Department of Health and
Human Services (HHS), as amended;

References Continued:

Standards for Certification of Laboratories Engaging in Urine Drug Testing for Federal Agencies, ADAMHA, HHS, as amended;
Civil Service Reform Act of 1978, P.L. 95-454;
42 CFR Part 2, establishing requirements for assuring the confidentiality of alcohol and drug abuse patient treatment records;
The Privacy Act of 1974 (5 U.S.C. Section 552a), prescribing requirements governing the maintenance of records by agencies pertaining to the individuals and access to these records by the individual(s) to whom they pertain;
40 CFR Part 16, implementing the Privacy Act of 1974 within the EPA;
Federal Employees Substance Abuse Education and Treatment Act of 1986, P.L. 99-570.



**HUMAN
RESOURCE
ISSUES**



EMPLOYMENT PRINCIPLES

Most positions in the EPA are in the competitive service. Employees are selected for these positions and advance in their careers according to various laws, regulations and policies that constitute the "merit system."

Merit principles require that all personnel decisions must be made exclusive of friendship, favoritism, political affiliation, or personal relationships and that discrimination based on race, color, sex, religion, national origin, marital status or handicapping condition is unlawful.

As an executive, it is critical that your decisions on hiring, making job commitments, recommending promotions or determining grades and salaries are in compliance with laws and regulations. If there is any uncertainty regarding these matters, you should contact your Human Resources Officer.

Employment of relatives is especially sensitive. Government officials may not employ or advocate the employment of a relative in an organization under their control or influence. Relatives include the immediate family, in-laws, uncles, aunts, nephews, nieces and first cousins.

For additional information and guidance, contact your Administrative Officer or Human Resources Officer.

References: EPA Directive 3110.1, Employment of Relatives;
EPA Directive 3115, Merit Promotion Manual.

PROHIBITED USE OF PERSONNEL

Employees of the Federal government may only be required to perform official government business. Using government employees in duty status for other than official purposes is subject to disciplinary action ranging from a written reprimand to removal. Personnel activities for which employees may not be used include (but are not limited to):

- Taking a private automobile for repair, maintenance, or gas;
- Managing personal finances (such as paying bills or reconciling a checkbook); and,
- Purchasing personal items (such as groceries, liquor, presents for family or friends).

References: EPA Order 3120.1, Conduct and Discipline Manual.

CIVIL RIGHTS CONCERNS

The Agency is committed to the concept and practice of equal opportunity in recruiting and hiring new employees, creating career development opportunities for current EPA staff, and ensuring a workplace free of discrimination on the bases of race, color, religion, age, sex, national origin, and handicap.

The Office of Civil Rights (OCR) is responsible for the enforcement of nondiscrimination laws and provisions, as they affect EPA employees, applicants for employment, recipients of EPA-financed assistance, and programs and activities conducted by EPA. * OCR operates an affirmative employment program to increase the representation of women and minorities at all levels of the EPA workforce; the Minority Institutions Program to support the objectives of Executive Order 12320, which obligates executive departments and agencies to help strengthen these institutions; a special emphasis program to

publicly recognize the contributions of minorities and women; and the Discrimination Complaints Program which processes complaints filed by EPA employees and applicants for employment.

EPA also has a very clear policy on sexual harassment. Any employee guilty of sexual harassment will receive disciplinary action in accordance with the Agency's Conduct and Discipline Manual, EPA Order 3120.1. The penalties range from written reprimand to removal.

References: Title VII of the Civil Rights Act of 1964, as amended;
Equal Employment Opportunity Act of 1972;
Civil Service Reform Act of 1978;
Age Discrimination Act of 1967;
Rehabilitation Act of 1973;
29 CFR Part 1613; and other statutes, executive orders and guidance.

*The Office of Human Resources Management manages the handicapped program.

PERFORMANCE APPRAISAL AND PAY ADJUSTMENTS

Annual salary adjustments for supervisors and managers are based on the principle of "pay for performance." The annual adjustment consists of the comparability increase voted by Congress and a merit increase, which depends on two factors — the manager's performance rating and his/her position in the pay range.

Performance rating decisions for managers are generally made by Assistant Administrators, the Inspector General, the General Counsel, Associate Administrators, Regional Administrators, or Headquarters Office Directors. Performance appraisals for General Schedule or non-supervisory employees may be made at lower management levels; and there is less of a direct effect between ratings and base pay among these employees.

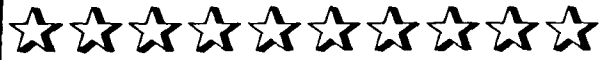
EPA rates performance each October on the commitments made in each employee's annual performance agreement. Rating officials judge performance on a 5-level scale, from Outstanding to Unsatisfactory.

Managers may receive bonuses once a year based on their annual rating. Federal and Agency guidelines regulate the amount and basis for these awards and specify what level of management may approve them.

Cash awards for non-supervisory employees may also be based on performance ratings and can be granted to employees at any time during the year.

For additional information contact your Human Resources Office.

References: Civil Service Reform Act of 1978 as amended;
5 U.S.C. 4302 et seq. and 5401-5410;
5 CFR Parts 430 and 540;
EPA Guidance on Performance Management, 1986 Edition.



MANAGEMENT ISSUES



INTERNAL CONTROLS

In 1950, the Accounting and Auditing Act was passed requiring that agency heads establish and maintain effective systems of internal control. The Federal Managers' Financial Integrity Act of 1982 requires renewed focus on the need to strengthen internal controls to ensure that:

- Obligations and costs are in compliance with legislation, Agency directives and regulations;
- Funds, property and other assets are safeguarded; and
- Revenues and expenditures applicable to Agency operations are properly documented and recorded.

The Act was passed with the expectation that strengthened control systems would improve the quality of Federal services by reducing mismanagement, errors, waste, fraud, and abuse in the administration of Federal programs. The Act requires all

Federal managers to maintain effective and efficient control systems, periodically evaluate their control systems, and correct control weaknesses. In addition, an annual report must be submitted by the Administrator to the President and the Congress providing assurance on the adequacy of EPA's internal control systems, identifying all material internal control weaknesses, and stating the actions planned or taken to correct the weaknesses.

For additional information and guidance, contact your Internal Control Coordinator.

References: Federal Managers' Financial Integrity Act of 1982;
General Accounting Office, Standards for Internal Controls in the Federal Government;
OMB Circular A-123, Internal Control Systems;
Resources Management Directive 2560, Internal Control.

AUDIT MANAGEMENT

The Inspector General Act of 1978 created the EPA Office of Inspector General. The OIG's role is to review EPA's financial transactions, program and administrative activities, investigate allegations of possible criminal and civil violations, and promote economic, efficient, and effective operations within the Agency. The OIG is specifically authorized access to all records, reports, audits, reviews, documents, papers, or other materials.

Internal audits are reviews of selected Agency programs and operations which provide management with an independent appraisal of whether desired results and objectives are achieved efficiently, economically, and in accordance with prescribed laws, regulations, policies, and procedures. These audits are aimed at providing constructive recommendations for improved administration of EPA programs. The key differences between management's own evaluations and internal audits are the

independence of the OIG from the management of such programs and the responsibility placed on the OIG by the IG Act to report to top management and the Congress on the results of such audits.

Financial audits can be reviews of financial statements to determine whether (1) the financial statements of an audited entity present fairly the financial position, results of operations, and cash flows or changes in financial position, and (2) whether the entity has complied with laws and regulations for those transactions and events that may have a material effect on the financial statements. Financial audits also include financial related audits such as audits of contracts, grants, financial systems, computer-based systems, and reports and schedules on financial matters. All audits are conducted in accordance with the Government Auditing Standards established by the Comptroller General.

As an executive, you may be named in audits as the "action official" responsible for responding to the audit and for implementing corrective actions.

For additional information and guidance, contact your Audit Follow-up Coordinator.

References: Inspector General Act of 1978;
Inspector General Act Amendments of 1988;
OMB Circular A-50, Audit Follow-up;
EPA Order 2750, Audit Follow-up.

CONTRACT MANAGEMENT

EPA is making a major effort to reduce its risk exposure from contract activities to preclude fraud, waste, and illegal/improper contract administration, and assure cost-effective operation of technical support services utilized by Agency program offices. Risk reduction and cost-effectiveness can be accomplished through effective contract management and control over contractor activities, use of EPA staff to control and perform critical Agency functions, decreased contractor involvement in EPA's critical financial/information systems, award of multiple support service contracts, and retention of Agency expertise in the technical service functions of the Agency. For example, the award of separate contracts for each major ADP system development, enhancement, operation and maintenance increases competition, reduces over-reliance on one contractor, increases the Agency's control over its major ADP functions, and insures that the Agency incurs the lowest possible cost for technical support.

Each Assistant Administrator, Regional Administrator, Associate Administrator, the General Counsel, and the Inspector General are required to have an SES-level manager serve as a Senior Procurement Officer with full responsibility for the effectiveness and integrity of all procurement activities in their office. Separate on-site Senior Procurement Officers are required for each EPA laboratory or major EPA field site. Every member of the Senior Executive Service must complete a special seminar on their role and responsibilities in contract management.

A clear distinction between EPA employees and contractors must be made by ensuring that all contract employees wear identification which is visibly distinct from EPA employees, and that contract employees' workspace is physically segregated from EPA employees' workspace. In addition, contractors may not be trained at EPA expense beyond what is required by their contract, or for skills reportedly available at the time of contract

award. They may not participate in EPA events such as award ceremonies, they may not attend EPA staff meetings and conferences except in a specific defined role, and they may not be assigned positions in which they can be mistaken for government employees by the public or EPA staff.

References: EPA Contracts Management Manual;
EPA Project Officer's Handbook.

PROCUREMENT OF PRODUCTS AND SERVICES

Only individuals specifically authorized to do so can obligate public funds for the acquisition of goods and services for the government. The purchase of office furnishings is a particularly sensitive and potentially embarrassing area. No purchase should be made without the appropriate prior approvals.

If you need to make a purchase for government use or you wish to hire a contractor to perform specific tasks, always consult your Administrative Officer or the Office of Acquisition Management on 260-5020 prior to the purchase or commitment.

References: GSA Bulletin FPMR D215;
EPA Directive 1900, Contracts Management Manual;
EPA Directive 4830, Personal; Property Management Volume/Facilities & Support Services Manual (PMR 2-01, 2-07)

CLASSIFIED INFORMATION SAFEGUARDS

Only those employees who have been granted the appropriate security clearances are allowed access to classified information. It is important that you discuss classified information with these persons only. You can verify the names of these persons by calling the Personnel Security Staff on 260-4115.

All documents are classified at the highest level of the source information contained in the document. The classification is on each page (top and bottom) of the document; the classification authority is on the first page.

Classified documents are always stored in safes or files with combination locks.

For additional information on the handling, storage and copying of classified materials, call the Security and Property Management Branch on 260-2110.

Reference: EPA Directive 4850-2, Security
Volume/Facilities & Support Services
Manual



OTHER MATTERS



MOTOR POOL VEHICLE USAGE

A motor pool of cars and vans is available for use under limited circumstances for designated Agency officials. These vehicles are to be used for the conduct of official Government business only. Use for other purposes is strictly forbidden. Improper use or even the appearance of improper use of Government vehicles can be embarrassing to the Agency.

Trips to hotels, clubs and restaurants using Government vehicles are not appropriate unless those trips are unquestionably business-related. Government vehicles may not be used for transportation to or from your place of residence except under a very narrow range of circumstances.

For additional information about the propriety of Government vehicle usage, contact the Facilities Management and Services Division on 260-2030. Contact your Administrative Officer to determine whether or not your position has been designated as one authorizing you to use the Agency motor pool.

Reference: EPA Directive 4830.3, Personal Property Management Support Services Manual.

PRINTING AND PUBLICATION SERVICES

The Environmental Protection Agency has printing and publications services for official government documents. All Agency publications require clearance before they can be printed.

The Agency does not provide business cards, but the EPA Recreation Association Store (260-2530) has information on area contractors who have the Agency seal and will prepare cards at your request and expense.

Call the Printing Management Section on 260-2125 or contact your Administrative Officer for guidance and assistance in printing needs.

Reference: EPA Directive 4810, User's Guide & Administrative Handbook/Facilities & Support Services Manual (COM 2-01 through 2-10).

TELEPHONE USAGE

Long-Distance Telephone Calls — When you need to make a work-related, long-distance telephone call, the Federal Telecommunications System (FTS), a government network of leased long-distance lines, should be used. Recent changes to the Federal Information Resources Management Regulations enable Federal agencies to permit employees to make reasonable use of government telephone systems, including placing certain calls which previously were prohibited. Ask your Administrative Officer for details. The Agency also provides a teleconferencing capability to most telephones connected to the FTS.

Telephone Calling Cards — If you frequently make official long-distance telephone calls while on official travel, you probably need a telephone calling card. Contact your Administrative Officer to obtain one.

Secure Telephone Calls — Always use a secure telephone when discussing sensitive Agency or classified information. If you do not have a secure telephone in your office, contact your Administrative Officer, or the EPA Telecommunications Manager on 260-2082.

References: 41 CFR 201-38;
EPA Directive 4810, Users Guide &
Administrative Handbook/Facilities &
Support Services Manual (COM 1-01
through 1-07).

TRAVEL POLICIES AND REGULATIONS

Travel must be for official business only and cannot be for personal purposes. Except under very limited circumstances, coach class airline accommodations must be used for official travel. Premium class (those accommodations above coach) may be used only when approved by the Assistant Administrator for Administration and Resources Management. Please refer to the Agency Travel Manual, Resources Management Directives System, 2550 B, for additional information. All official travel must be approved in advance and a travel authorization signed by the approving official. Travel vouchers must be filed within ten days of completion of your trip. Frequent travelers (more than 1 trip annually) must apply for an Agency Diners Club credit card to facilitate their travel arrangements and to minimize the amount of cash travel advances.

Airline discount coupons or other promotional benefits accrued from official travel are the property of the government and must be turned in to your servicing finance office. If bumped from an overbooked flight, the refund check must be made out to the Environmental Protection Agency and returned to the appropriate servicing finance office. Frequent flier mileage may only be used for future travel on official business.

Receipts are required for lodging, long-distance telephone calls, car rentals, gasoline, and registration fees. Receipts are also required for other expenses which exceed \$25 a day.

Employees are reimbursed under the General Services Administration's Lodgings-plus system which sets specific rates for lodging and for meals and incidental expenses for cities in the continental United States.

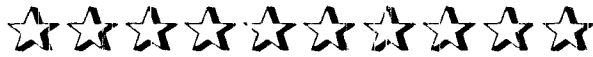
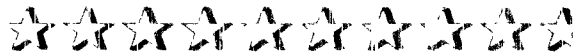
For additional information on travel regulations, contact your Administrative Officer, or call the Customer Assistance Office of the Financial Management Division on 260-5116.

Reference: EPA Directive 2500, Resources Management Directives System.

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