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Monday 11/4/74

5:40 Nancy Howe called; asked if she had to list her stocks on the Confidential Statement she is to submit.

Do you want to talk with her --- or do you want Mr. Lazarus to call?

Called NH & said "ycs" 11/4/74

P.



Monday 11/4/74

5:40 Nancy Howe called; asked if she had to list her stocks on the Confidential Statement she is to submit.

Do you want to talk with her --- or do you want Mr. Lazarus to call?

Mr B. called her.

Tuesday 11/5/74

10:52 Marilyn in Lynn May's office called to say someone had been checking on their compliance with Mr. Buchen's memos of 10/24 and 10/30; Lynn May and Mr. Buckles had not received either one of the memos.

6437

I checked with Bob Linder's office; talked with Mr. Ratchford. He indicates 12 copies were given to Warren Hendriks, who was to have a meeting and give out the material to the staff.

Called Marilyn and she will call Hendriks.

Indicated had been checking to see where their material was.



THE WHITE HOUSE
WASHINGTON

November 12, 1974

MEMORANDUM FOR:

DICK CHENEY

FROM:

KEN LAZARUS *KL*

SUBJECT:

Memorandum from President to
Heads of Departments and Agencies
re: Standards of Employee Conduct

Per the request of Don Lowitz, the attached are submitted for your review and approval.

1. Redrafted version of memorandum from the President (Tab A) which was necessitated by the Civil Service Commission's having already made the request for agency certifications by a November 7, 1974 Bulletin (Tab B, at p. 5). The only changes to the earlier version (Tab C) which I understand you had approved, appear in the next to last paragraph of the memorandum.
2. Final listing indicating the intended recipients of this memorandum (Tab D).

If approved, the memorandum and listing should be sent to Jerry Jones for retyping, signature and distribution.

cc: Jerry Jones
Don Lowitz
Phil Buchen ✓
Bill Casselman
Phil Areeda



MEMORANDUM

TO: HEADS OF DEPARTMENTS AND AGENCIES

FROM: THE PRESIDENT

SUBJECT: Standards of Conduct for Executive
Departments and Agencies Personnel

You are well aware of the commitments by this Administration to the highest standards of legal and ethical conduct. This places a special obligation on you to make sure these standards are adhered to by employees. It places a special obligation on each employee to respect these standards and to recognize as well that individual actions reflect on Government. Conduct that even appears in any way to be improper undermines the public view of its government. If we are to operate effectively, we must deserve the public's confidence.

Accordingly, I want to reemphasize the importance of the standards of ethical conduct which were established under Executive Order 11222. They are applicable to all officers, employees and advisers serving with the Federal Government. Each employee under your supervision must be made aware of these ethical responsibilities. Private interests will not be permitted to conflict or even appear to conflict in any way with public responsibilities.



Each of you should ensure that the standards of conduct prescribed by Executive Order 11222 are reflected in your department's or agency's regulations approved by the Civil Service Commission, and that all employees are made familiar with the contents of the regulations and provided with continuing counseling, so as not to violate them. Special attention should be devoted to ensuring that employees required by the regulations to file "Statements of Employment and Financial Interests" have done so and that the appropriate review procedure has been followed.

In conformance with this memorandum the Civil Service Commission has in United States Civil Service Commission Bulletin No. 250-5, dated November 7, 1974, requested from you a report certifying that your agency is current in the filing, review and acceptance of these required statements. The Commission has also requested confirmation that regulations issued by you on employee conduct are current and that each employee is aware of their content.

I ask your cooperation in this effort to ensure that the principles of ethical conduct set forth in Executive Order 11222 are honored.



UNITED STATES CIVIL SERVICE COMMISSION

BULLETIN

BULLETIN NO. 250-5

Washington, D.C. 20415

November 7, 1974

SUBJECT: Assuring the Integrity of the Merit System

Heads of Agencies and Independent Establishments:

Action date: See Text

Introduction

The Federal Government, to use the words of President Ford in his September 20, 1974, memorandum on the career civil service,

... has proven ... it can continue to function and move ahead even under the most difficult circumstances. This is due chiefly to more than two million career civil servants who, day-in and day-out, give of themselves in a thoroughly dedicated and efficient manner to assure this continuity.

In keeping with the President's determination to keep the "Federal career service just that--a career service in which men and women can be accepted in the first place on their ability and promoted on their merit," the Civil Service Commission has weighed carefully the need for new and continuing initiatives to assure the integrity of the civil service system.

Perspective

The Federal Government's personnel system is an operation of extremely large scale, involving over 200,000 new appointments, and well over 2 million personnel actions of other kinds, each year. Successful functioning of this system, the magnitude of which makes decentralized operations necessary, requires integrity at all levels and by everyone involved in carrying out personnel responsibilities.

The Civil Service Commission undertakes constant reevaluation of key elements of the Federal personnel system. Through amendment of the Civil Service Regulations found in title 5 of the Code of Federal Regulations and updating of the Federal Personnel Manual, the Commission

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CODE: 250; Personnel Management in Agencies

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BULLETIN EXPIRES: October 31, 1975



provides to agencies current guidance in the exercise of personnel authority. In addition, through its evaluation program, the Commission reviews both the provisions and the operation of the personnel system.

In carrying out our review and monitoring activity, we find that, by and large, the system works well and personnel responsibilities are discharged faithfully. Where we have found elements of the system not working as intended, we have made the necessary changes. And where we have found authorities entrusted to agencies operating with anything less than full observance of applicable rules, we have initiated corrective action. Nonetheless, the disturbing findings of some recent investigations make it clear that certain matters require additional attention on a system-wide basis. We, therefore, are undertaking a coordinated series of actions to further assure the integrity of the merit system. This Bulletin announces and describes these actions.

Actions Necessary

The actions listed below are intended to correct practices, whether willful or inadvertent, inimical to sound merit system operations, or to adjust features of the system which have been subject to misuse. These actions are for prompt implementation, and the effective date for implementation by agencies, or for submission of required replies, is given for each item on which specific action is required.

1. New Certification Statement for Use With Official Position Descriptions

Position descriptions play a vital role in determining pay levels and qualification requirements, and thus in authorizing payment of public funds, in establishing sources of recruitment, in setting conditions for competition for appointment and advancement, and determining whether positions should be excepted from the competitive service. To focus appropriate attention on the importance of the statements and information incorporated in official position descriptions, a requirement for an expanded statement for certifying to the accuracy of position descriptions is being established. The expanded statement, to be used in lieu of the current supervisory certification statement (item 13) on Optional Form 8, or equivalent, is as follows:

I certify that this is an accurate statement of the major duties and responsibilities of this position and its organizational relationships, and that the position is necessary to carry out government functions for which I am responsible. This certification is made with the knowledge that this information is to



be used for statutory purposes relating to appointment and payment of public funds, and that false or misleading statements may constitute violations of such statutes or their implementing regulations.

(Signature of immediate supervisor)

Date

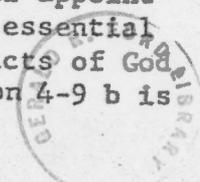
(a) In communicating this requirement to operating offices, agencies are requested to make clear that all other levels of supervision which propose or approve official statements of duties and responsibilities are attesting to the same effect as the new supervisory certification. The necessary communication in this regard affords an excellent opportunity for reminding all parties of their responsibilities in certifying position descriptions and for reaffirming that the function of position classification specialists in assigning a title, series, and grade to a position is not limited to classifying the position under applicable standards or procedures (in the absence of directly applicable standards), but extends to resolving substantive questions that may arise concerning the accuracy of the position description acted on.

(b) The use of this new certification statement is required for all positions subject to the Civil Service Act and/or the Classification Act established, amended, or redescribed after December 16, 1974. Telephone inquiries may be directed to the Bureau of Personnel Management Evaluation, code 101, extension 26131, or 63-26131.

(c) Optional Form 8 will be revised to incorporate this statement when next reprinted. In the interim, agencies will overprint or otherwise include the statement on existing supplies of Optional Form 8 or equivalent forms used for the same purpose.

2. Restriction on Authority to Make Temporary Limited Appointments to Meet Special Needs

The provisions of section 4-9 b of Federal Personnel Manual chapter 316 have been revised to reemphasize that the authority delegated to agencies for making temporary limited appointments to meet special needs may not be used to effect appointments pending the outcome of the competitive process. Additionally, agency requests for 30-day extensions of special need appointments will not be approved by Commission offices unless there is a persuasive showing that the initial appointment was proper when made, and that continued employment is essential to agency operations, as in the case of natural disasters, acts of God, etc. The revised wording of the pertinent portion of section 4-9 b is as follows:



... This authority may not be utilized to exceed a service limitation imposed by some other appointment authority
→ or for an appointment made solely or principally to effect employment of an individual pending completion of examining, referral or other competitive processes. ←

3. Agency Review and Certification to the Commission of All Schedule C Positions

Once a position has been proposed to the Civil Service Commission as meeting the requirements for inclusion in Schedule C, it is the responsibility of the agency to assure that the position in fact operates in the manner described and to promptly report changes to the Commission. To insure that these requirements are being fully and currently observed, each agency with positions in Schedule C is requested to review such positions and certify the results of that review to the Civil Service Commission. The review process should consist of:

- (a) A desk audit to determine whether the duties being performed are as described in the official position description of record, and whether or not the position is correctly classified as to title, series, and grade.
- (b) Verification of whether or not the position in actual operation continues to satisfy the criteria for placement in Schedule C.
- (c) A consolidated submission representing the results of the review for the agency as a whole is required. The submission should include a complete listing of all Schedule C positions, both vacant and encumbered, showing the title, grade, and series of each, its organizational location, and the specific civil service regulation, as published in the Federal Register, authorizing inclusion in Schedule C. A brief statement on the results of the review as to "a" and "b" above and any needed action being taken should be shown for each Schedule C. Where changes required to be reported to the Commission and have not been so reported are noted in the review process, a separate statement reflecting the changes for each such position should be attached to the agency reply. Schedule C positions established within 90 days preceding the date of this Bulletin need not be reviewed or reported on unless the agency believes the information previously provided the Commission is no longer current.



- (d) The Agency's submission should be signed by the Director of Personnel or higher level official and submitted to the Director, Bureau of Recruiting and Examining, by January 31, 1975. Telephone inquiries may be directed to that Bureau, Code 101, extension 24437, or 63-24437.

4. Standards of Ethical Conduct for Government Officers and Employees

The head of each department and agency subject to the provisions of Executive Order 11222, as amended, "Prescribing Standards of Ethical Conduct for Government Officers and Employees," will provide a certification to the Civil Service Commission that:

- (a) Statements of Employment and Financial Interests, as prescribed by part 735 of the regulations of the Civil Service Commission, are on file for each employee and special Government employee required to submit such statement under the regulations of the employing agency.
- (b) Changes in, or additions to, the information in Statements of Employment and Financial Interests have been reported in supplemental statements, or negative reports are on file, as of June 30, 1974. (If an alternative date has been authorized by the Commission for a particular agency, the agency may use the alternative date as its reference point in reporting.)
- (c) Action is being taken to promptly obtain required statements or negative reports not currently on file, and that necessary attention is being given to assure continuing compliance and currency.
- (d) The certification is to include, in addition, a statement of the most recent date on which the agency regulations governing ethical conduct and responsibilities have been brought to the attention of employees. Section 735.104(b)(4) of the Commission's regulations requires that such agency regulations be brought to the attention of each employee annually.
- (e) This certification, signed by the agency's Director of Personnel, General Counsel, or other appropriate official at the same or higher level, is to be submitted to the Office of the General Counsel, U.S. Civil Service Commission, by December 31, 1974. Telephone inquiries may be directed to that office at code 101, extension 24519 or 63-24519.



5. Other Actions to Maintain Merit System Integrity

The key to maintaining an effective career service is a record of accomplishment demonstrating the worth of merit principles and reflecting a sense of personal commitment at all levels of employment to the support of those principles.

- (a) Acting from this perspective, the Civil Service Commission plans to undertake a number of steps designed to promote better understanding of the importance of the Federal merit system in achieving effective government. Included among them is widespread dissemination of a one-page issuance to Federal executives, managers, and supervisors emphasizing the importance of their individual contributions to the maintenance of sound personnel operations, and broad distribution of CSC Pamphlet 78, "The Federal Manager's Responsibilities Under the Merit System." A new training module designed to assist managers and supervisors in applying and working with merit concepts in their daily operations will be incorporated into appropriate CSC training courses.
- (b) Of importance, as well, is that employees generally also have readily available means of assuring themselves that merit system integrity is being maintained at the worksite. As stated in Chairman Hampton's memorandum of October 7, 1974, for heads of departments and agencies:

Employees who have a basis for believing that personnel laws or rules are being violated, and the matter is not appropriate for the grievance or appeals procedures, should know that there is an official within each department or agency to whom they can provide the facts, without fear of reprisal, and that appropriate inquiry and action will follow.

- (c) Chairman Hampton's memorandum requested a report of the actions taken to carry out the instructions in the President's memorandum of September 20, 1974, referred to in the introduction to this letter. This response is due in the Commission on November 29, 1974. Since we are calling on all agencies of government to join with us in acting to assure the integrity of the merit system, agencies are encouraged to include as areas for review:

- o Steps needed to assure the total selection process remains free of preselection, that vacancies are described accurately to all candidates, and that all representations concerning special job requirements are valid.



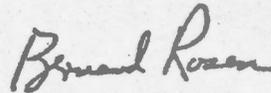
- o The use of experts and consultants--whether the authority for such employment is retained at a sufficiently high organizational level to assure applicable requirements are satisfied.
- o Control and review mechanisms for assuring that employee details are used properly.

Other System Adjustments

The Commission is considering various other courses of action relating to specific aspects of the personnel system, and consultation with appropriate parties will be initiated as proposals and study plans are formulated.

With the continued interest and support of agencies, together with that of the men and women who make up the Federal career service, we believe the actions being taken and considered will buttress the capacity of the merit system to meet national needs. Comments and suggestions on additional actions that might be considered are welcome at any time.

By direction of the Commission:



Bernard Rosen
Executive Director



MEMORANDUM

TO: HEADS OF DEPARTMENTS AND AGENCIES

FROM: THE PRESIDENT

SUBJECT: Standards of Conduct for Executive
Departments and Agencies Personnel

You are well aware of the commitments by this Administration to the highest standards of legal and ethical conduct. This places a special obligation on you to make sure these standards are adhered to by employees. It places a special obligation on each employee to respect these standards and to recognize as well that individual actions reflect on Government. Conduct that even appears in any way to be improper undermines the public view of its government. If we are to operate effectively, we must deserve the public's confidence.

Accordingly, I want to reemphasize the importance of the standards of ethical conduct which were established under Executive Order 11222. They are applicable to all officers, employees and advisers serving with the Federal Government. Each employee under your supervision must be made aware of these ethical responsibilities. Private interests will not be permitted to conflict or even appear to conflict in any way with public responsibilities.



Each of you should ensure that the standards of conduct prescribed by Executive Order 11222 are reflected in your department's or agency's regulations approved by the Civil Service Commission, and that all employees are made familiar with the contents of the regulations and provided with continuing counseling, so as not to violate them. Special attention should be devoted to ensuring that employees required by the regulations to file "Statements of Employment and Financial Interests" have done so and that the appropriate review procedure has been followed.

The Chairman of the Civil Service Commission will shortly ask you for a report certifying that your agency is current in the filing, review and acceptance of these required statements. The Chairman will also request confirmation that regulations issued by you on employee conduct are current and that each employee is aware of their content.

I ask your cooperation in this effort and to make sure that the principles of ethical conduct set forth in Executive Order 11222 are honored.



Heads of Departments, Establishments
and Agencies of the Government (with names)

~~September 24,~~ 1974
November 4,

The Honorable Henry A. Kissinger
Secretary of State
Washington, D.C. 20520

The Honorable William E. Simon
Secretary of the Treasury
Washington, D.C. 20220

The Honorable James R. Schlesinger
Secretary of Defense
Washington, D.C. 20301

The Honorable Howard H. Callaway
Secretary of the Army
Washington, D.C. 20310

The Honorable J. William Middendorf II
Secretary of the Navy
Washington, D.C. 20350

The Honorable John L. McLucas
Secretary of the Air Force
Washington, D.C. 20330

The Honorable William B. Saxbe
The Attorney General
Washington, D.C. 20530

The Honorable Rogers C.B. Morton
Secretary of the Interior
Washington, D.C. 20240

The Honorable Earl L. Butz
Secretary of Agriculture
Washington, D.C. 20250

The Honorable Frederick B. Dent
Secretary of Commerce
Washington, D.C. 20230

The Honorable Peter J. Brennan
Secretary of Labor
Washington, D.C. 20210

The Honorable Caspar W. Weinberge
Secretary of Health, Education,
and Welfare
Washington, D.C. 20201

The Honorable James T. Lynn
Secretary of Housing and
Urban Development
Washington, D.C. 20410

The Honorable Claude S. Brinegar
Secretary of Transportation
Washington, D.C. 20590



The Honorable Michael P. Balzano, Jr.
 Director of the ACTION Agency
 Washington, D.C. 20525

The Honorable Robert Armstrong Anthony
 Chairman
 Administrative Conference of
 the United States
 Room 7202
 726 Jackson Place, NW.
 Washington, D.C. 20506

The Honorable Daniel Parker
 Administrator
 Agency for International Development
 Washington, D.C. 20523

General Mark Wayne Clark, USA, Ret.
 Chairman
 American Battle Monuments Commission
 Washington, D.C. 20390

~~The Honorable Frank Stanton
 Chairman of the Board of Governors
 American National Red Cross
 Washington, D.C. 20006~~

The Honorable John W. Warner
 Administrator
 American Revolution Bicentennial
 Administration
 Washington, D.C. 20276

The Honorable Donald W. Whitehead
 Federal Co-chairman
 Appalachian Regional Commission
 Room 716
 1666 Connecticut Avenue, NW.
 Washington, D.C. 20009

The Honorable Dixy Lee Ray (Miss)
 Chairman
 Atomic Energy Commission
 Washington, D.C. 20545

The Honorable William Egan Colby
 Director of Central Intelligence
 Washington, D.C. 20505

The Honorable Robert D. Timm
 Chairman
 Civil Aeronautics Board
 Washington, D.C. 20428

The Honorable Robert E. Hampton
 Chairman
 Civil Service Commission
 Washington, D.C. 20415

The Honorable Arthur S. Flemming
 Chairman
 Commission on Civil Rights
 Washington, D.C. 20425

~~The Honorable J. Carter Brown
 Chairman
 Commission of Fine Arts
 Washington, D.C. 20240~~

~~The Honorable Elmer B. Staats
 The Comptroller General
 of the United States
 Washington, D.C. 20548~~

~~The Honorable Walter E. Washington
 Commissioner of the
 District of Columbia
 Washington, D.C. 20004~~

The Honorable Richard O. Simpson
 Chairman
 Consumer Product Safety Commission
 Washington, D.C. 20016

The Honorable Russell E. Train
 Administrator
 Environmental Protection Agency
 Washington, D.C. 20024

The Honorable William J. Casey
President of the Export-Import
Bank of the United States
Washington, D.C. 20571

The Honorable John H. Powell, Jr.
Chairman
Equal Employment Opportunity Commission
1800 G Street, NW.
Washington, D.C. 20006

The Honorable E. A. Jaenke
Governor of the Farm
Credit Administration
Washington, D.C. 20578

The Honorable Richard E. Wiley
Chairman
Federal Communications Commission
Washington, D.C. 20554

The Honorable Frank Wille
Chairman
Federal Deposit Insurance
Corporation
Washington, D.C. 20429

The Honorable John C. Sawhill
Administrator
Federal Energy Administration
Washington, D.C. 20461

The Honorable Thomas R. Bomar
Chairman
Federal Home Loan Bank Board
Washington, D.C. 20552

The Honorable Helen Delich Bentley
Chairman
(Mrs.)
Federal Maritime Commission
Washington, D.C. 20573

The Honorable Willie J. Usery, Jr.
Director
Federal Mediation and
Conciliation Service
Washington, D.C. 20427

The Honorable John N. Nassikas
Chairman
Federal Power Commission
Washington, D.C. 20426

The Honorable Arthur F. Burns
Chairman
Board of Governors of the
Federal Reserve System
Washington, D.C. 20551

The Honorable Lewis A. Engman
Chairman
Federal Trade Commission
Washington, D.C. 20580

The Honorable J. Raymond Bell
Chairman
Foreign Claims Settlement Commission
Washington, D.C. 20579

The Honorable Arthur F. Sampson
Administrator of General Services
Washington, D.C. 20405

The Honorable Jerome K. Kuykendall
Chairman
Indian Claims Commission
Washington, D.C. 20006

The Honorable George M. Stafford
Chairman
Interstate Commerce Commission
Washington, D.C. 20423

~~The Honorable Lawrence Quincy Mumfo
The Librarian of Congress
Washington, D.C. 20540~~

~~The Honorable Philip Handler
President
National Academy of Sciences
Washington, D.C. 20418~~



The Honorable James C. Fletcher
Administrator
National Aeronautics and
Space Administration
Washington, D.C. 20546

The Honorable William H. Press
Chairman
National Capital Planning
Commission
Washington, D.C. 20576

The Honorable Herman Nickerson, Jr.
Administrator
National Credit Union Administration
1325 K Street, NW.
Washington, D.C. 20456

The Honorable Nancy Hanks (Miss)
Chairman
National Endowment for the Arts
806 15th Street, NW. (Shoreham Bldg.)
Washington, D.C. 20506

The Honorable Ronald S. Berman
Chairman
National Endowment for the Humanities
806 15th Street, NW. (Shoreham Bldg.)
Washington, D.C. 20506

The Honorable Edward B. Miller
Chairman
National Labor Relations Board
Washington, D.C. 20570

The Honorable George S. Ives
Chairman
National Mediation Board
Washington, D.C. 20572

The Honorable H. Guyford Stever
Director
National Science Foundation
Washington, D.C. 20550

The Honorable Robert D. Moran
Chairman
Occupational Safety & Health
Review Commission
1825 K Street, NW.
Washington, D.C. 20006

~~Secretary
Panama Canal Company
312 Pennsylvania Building
425 15th Street, NW.
Washington, D.C. 20004~~

~~The Honorable Andy Leroy Borg
Chairman
United States Section
Permanent Joint Board of Defense
United States and Canada
Room 4234
New State Building
Washington, D.C. 20520~~

The Honorable Fred B. Rhodes
Chairman
Postal Rate Commission
Washington, D.C. 20268

~~The Honorable Thomas F. McCormick
The Public Printer
Washington, D.C. 20401~~

The Honorable James L. Cowen
Chairman
Railroad Retirement Board
844 Rush Street
Chicago, Illinois 60611

The Honorable William Scholl Whitehead
Chairman
Renegotiation Board
Washington, D.C. 20446

The Honorable Ray Garrett, Jr.
Chairman
Securities and Exchange Commission
Washington, D.C. 20549



The Honorable Byron V. Pepitone
 Director of Selective Service
 Washington, D.C. 20435

The Honorable Thomas S. Kleppe
 Administrator
 Small Business Administration
 Washington, D.C. 20416

Secretary
 Smithsonian Institution
 Washington, D.C. 20560

The Honorable Aubrey J. Wagner
 Chairman
 Board of Directors
 Tennessee Valley Authority
 Washington, D.C. 20444

The Honorable James Keogh
 Director
 United States Information Agency
 Washington, D.C. 20547

Governor
 United States Soldiers'
 and Airmen's Home
 Washington, D.C. 20315

The Honorable Fred Charles Ikle
 Director
 United States Arms Control and
 Disarmament Agency
 Washington, D.C. 20451

The Honorable Catherine May Bedell (Mrs.)
 Chairman
 United States Tariff Commission
 Washington, D.C. 20436

The Honorable Richard L. Roudebush (10/4/74)
~~XXXXX~~ Administrator of Veterans' Affairs
 Washington, D.C. 20420.

~~Administrator
 Washington Metropolitan
 Area Transit Authority
 950 South L'Enfant Plaza, SW.
 Washington, D.C. 20024~~

~~Director
 Water Resources Council
 Suite 800
 2120 L Street, NW.
 Washington, D.C. 20037~~



EXECUTIVE OFFICE OF THE PRESIDENT

The Honorable Roy L. Ash
Director
Office of Management and Budget
Washington, D.C. 20503

Personnel Officer
Office of Management and Budget
Washington, D.C. 20503

The Honorable Alan Greenspan
Chairman
Council of Economic Advisers
Washington, D.C. 20506

The Honorable Russell W. Peterson
Chairman
Council on Environmental Quality
Washington, D.C. 20006

Executive Secretary
National Security Council
Washington, D.C. 20500

The Honorable
Acting Director
Office of Economic Opportunity
Washington, D.C. 20506

The Honorable William D. Eberle
Special Representative for
Trade Negotiations
1800 G Street, NW.
Washington, D.C. 20506

Mr. Wilbur H. Jenkins
White House Office
Washington, D.C. 20500

The Honorable Kenneth R. Cole, Jr.
Executive Director
Domestic Council
Washington, D.C. 20500

The Honorable Robert L. DuPont
Director
Special Action Office for
Drug Abuse Prevention
Washington, D.C. 20506

The Honorable Virginia H. Knauer
Special Assistant to the President
Washington, D.C. 20506

The Honorable ~~Clay F. Whitbread~~
Acting Director
Office of Telecommunications Policy
Washington, D.C. 20504

The Honorable William D. Eberle
Executive Director
Council on International Economic
Policy
Washington, D.C. 20500

The Honorable
Director
Council on Wage and Price Stabilization
Washington, D.C.

MISCELLANEOUS

~~Interagency Advisory Group
U.S. Civil Service Commission
Washington, D.C. 20415~~

~~President
International Bank for
Reconstruction and Development
Washington, D.C. 20433~~

Administrator
National Gallery of Art
Washington, D.C. 20565

#



NATIONAL ARCHIVES AND RECORDS ADMINISTRATION
Presidential Libraries Withdrawal Sheet

WITHDRAWAL ID 01484

REASON FOR WITHDRAWAL Donor restriction
TYPE OF MATERIAL Form(s)
CREATOR'S NAME Hartmann, Robert, T.
DESCRIPTION Confidential Statement of Employment
and Financial Interests and
attachments.
CREATION DATE 11/16/1974

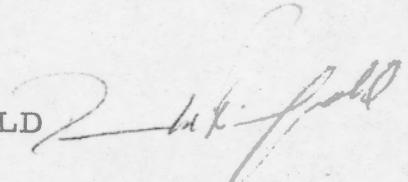
COLLECTION/SERIES/FOLDER ID . 001900441
COLLECTION TITLE Philip W. Buchen Files
BOX NUMBER 41
FOLDER TITLE Personnel - Standards of Conduct
(1)-(5)

DATE WITHDRAWN 08/24/1988
WITHDRAWING ARCHIVIST LET

THE WHITE HOUSE
WASHINGTON

November 17, 1974

MEMORANDUM FOR: PHIL BUCHEN

FROM: DONALD RUMSFELD 

SUBJECT: Record Keeping in Connection with
Counsel's Approval of Staff Submissions
of Statements of Employment and
Financial Interests, Security and Special
Clearances

In order to insure the proper maintenance of personnel records, a procedure should be established whereby your office advises the Staff Secretary when the Counsel has approved an employee's submission of a Statement of Employment and Financial Interests, as well as the security and special clearances. When appropriate, this information should also be transmitted to Bill Walker.

In addition, I would appreciate your instituting a procedure whereby you will notify me personally by memorandum at an early date whenever an employee is delinquent or deficient in the filing of his statement, or when serious problems are presented with respect to either the evaluation of his statement, or the security and special clearances.

Attached is a memorandum I propose to send to the Staff Secretary with a form prepared by Ken Lazarus to report your office's approval of these three items.

ACTION:

I agree with your proposal, the memo and the form

P.W.B.

Let us discuss this _____



THE WHITE HOUSE

WASHINGTON

November , 1974

MEMORANDUM FOR: JERRY JONES
Staff Secretary

FROM: DONALD RUMSFELD

SUBJECT: Record Keeping in Connection with
the Counsel's Approval of Statements
of Employment and Financial Interests,
Security and Special Clearances

Phil Buchen and I have agreed upon a procedure for personnel record keeping in connection with the Counsel's approval of the Statements of Employment and Financial Interests that are required of certain employees, as well as the security and special clearances. The procedure is to be as follows:

1. On completion of the Counsel's evaluation and approval of an employee's Statement of Employment and Financial Interests, and the security and special clearances, the Staff Secretary will be sent a memorandum from the Counsel's office indicating its approval. (See form attached).
2. The Staff Secretary will have this memorandum placed in the official personnel file of that employee.
3. The Counsel will notify me directly by memorandum whenever an employee is delinquent or deficient in the filing of his Statement, or when serious problems are presented with respect to either the evaluation of the Statement or the security and special clearances.

cc: Phil Buchen



THE WHITE HOUSE
WASHINGTON

MEMORANDUM FOR: JERRY JONES
FROM: KEN LAZARUS
SUBJECT: _____

This is to notify you that the Counsel's Office has taken the following actions with respect to the above-named individual:

- 1) Statement of Employment and Financial Interests, approved _____
- 2) Security Clearance, approved _____
- 3) Special Clearances, approved _____
- 4) National Security Clearances,
approved _____
required and pending _____
not required at this time _____

Comment:

Date: _____



THE WHITE HOUSE
WASHINGTON

11/21/74

COPY

Ken:

I understand this was changed to
omit Don Rumsfeld's name.
Please provide corrected or
substitute copy.

P.



*Conflict of Interest
Confidential
Statements*

November 19, 1974

MEMORANDUM FOR:

JERRY JONES

FROM:

KEN LAZARUS

SUBJECT:

Confidential Statement of Employment
and Financial Interests/Job
Description Form.

This is to advise you that reminders (specimen attached) were sent out today to staffers who have not yet returned their financial statements and job description forms. The distribution list includes:

White House Staff

Bakshian, Aram
Baroody, William
Bellinger, Cecilia
Carlson, John
Casselmann, Bill
Cheney, Dick
Cole, Beverly
Cole, Ken
Coyne, John
Friedman, Milton
Hartmann, Bob
Hasek, Eliska
Higby Lawrence
Jenkins, Wilbur
Jones, Jerry
Korologos, Tom
Lammerding, Nancy
Manning, Robert
Marrs, Ted
Marsh, John
Mead, Robert
Morgan, Ann

Naples, Ronald
O'Donnell, Patrick
Pierce, Nelson
Rosenberger, Eric
Rumsfeld, Don
Rustand, Warren
Shaw, Robert
Theis, Paul
Thomas, Ricardo
Timmons, Bill
Yates, Nellie

Domestic Council

Buckles, Andrew
Falk, James
Needham, Pam
Patrick, Carol
Raoul-Duval, Michael
Schleede, Glenn



White House Consultants

Kulp, Earl
Morgan, Gerald
Webb, Bill
Freeburg, Russell
Stiles, John
Ursomarso, Frank A.

Enclosure

cc: ✓ Phil Buchen
Bill Casselman
Phil Areeda



THE WHITE HOUSE
WASHINGTON

MEMORANDUM FOR:

FROM:

KEN LAZARUS

SUBJECT:

Confidential Statement of Employment
and Financial Interests/Job
Description Form.

To date, the Counsel's office has not received from you the Confidential Statement of Employment and Financial Interests and the Job Description Form which were sent to you on _____ with a requested return date of _____.

Will you kindly complete and return these forms as soon as possible.



November 19, 1974

MEMORANDUM FOR: JERRY JONES

FROM: KEN LAZARUS

SUBJECT: Confidential Statement of Employment
and Financial Interests/Job
Description Form.

This is to advise you that reminders (specimen attached) were sent out today to staffers who have not yet returned their financial statements and job description forms. The distribution list includes:

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Higby Lawrence
Jenkins, Wilbur
Jones, Jerry
Korologos, Tom
Lammerding, Nancy
Manning, Robert
Marra, Ted
Marsh, John
Mead, Robert
Morgan, Ann

Naples, Ronald
O'Donnell, Patrick
Pierce, Nelson
Rosenberger, Eric
Rumsfeld, Don
Rustand, Warren
Shaw, Robert
Theis, Paul
Thomas, Ricardo
Timmons, Bill
Yates, Nellie

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Buckles, Andrew
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Needham, Pam
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White House Consultants

Kulp, Earl
Morgan, Gerald
Webb, Bill
Freeburg, Russell
Stiles, John
Ursomarso, Frank A.

Enclosure

cc: ✓ Phil Buchen
Bill Casselman
Phil Areeda



THE WHITE HOUSE
WASHINGTON

MEMORANDUM FOR:

FROM:

KEN LAZARUS

SUBJECT:

Confidential Statement of Employment
and Financial Interests/Job
Description Form.

To date, the Counsel's office has not received from you the Confidential Statement of Employment and Financial Interests and the Job Description Form which were sent to you on _____ with a requested return date of _____.

Will you kindly complete and return these forms as soon as possible.



Conflict

Thursday 11/21/74

10:10 Mary Byrnes (Telephone office) called to say that Beverly Cole has been out sick and had not received the form she was supposed to fill out.

I said I would send a form to Mary and she could forward it to Beverly.

(Asked Ken to send it; he said there was no problem -- they were just getting them all in as soon as they could.)

5:05 Called for Mary but she had gone home; left word the form would be sent by Mr. Lazarus.

Rm 09 EOB



THE WHITE HOUSE
WASHINGTON

Conflict
of
Interest

P.A.

Your memo from OLC
on Severance Payments

I suggest that
we provide Walker with
a copy to alert him on
points he might want to
raise in his discussions
with applicants

Also, I suggest Bob
Hampton be contacted on
Nino's proposal in the
last para. of his memo.

P.



Conflict of Interest

THE WHITE HOUSE
WASHINGTON

January 22, 1975

MEMORANDUM FOR: PHIL BUCHEN ←
KEN LAZARUS
DUDLEY CHAPMAN

FROM: PHIL AREEDA PA

For your information I enclose a background memorandum from the Office of Legal Counsel on Severance Payments under the Conflict of Interest Statute.



Department of Justice

Washington, D.C. 20530

JAN 22 1975

MEMORANDUM TO THE HONORABLE PHILLIP E. AREEDA
Counsel to the President

Re: Severance Payments under the Conflict of
Interest Statute, 18 U.S.C. 209.

This is in response to your request for a discussion of the conflict of interest aspects of severance payments made by a private employer to an employee upon the latter's entry into Government service.

The relevant statutory provision is 18 U.S.C. 209(a), which prohibits a Government officer or employee from receiving "any salary, or any contribution to or supplementation of salary, as compensation for his services as an officer or employee of the executive branch" Both the recipient and the person or organization making a prohibited payment are subject to criminal penalties.

Obviously, the key to application of § 209(a) is that the payment must be made "as compensation for" Federal employment. If it is made for past services, given as a gift, or made for present services rendered to the private employer apart from the recipient's governmental duties, no violation occurs. (Of course with respect to the last mentioned possibility, outside employment is forbidden to many Federal employees by agency regulation. See, e.g., 28 CFR § 45.735-9 generally prohibiting private practice of law by Justice Department lawyers.) While this principle is very clear, the fact that it depends upon an ascertainment of the purpose of the payment renders its application to a particular case very difficult, particularly when the context in which the decision is to be made is not criminal prosecution but pre-employment advice, so that appearances as well as technical violation must be considered.

Since the purpose of the payment is always a factual issue, no firm generalizations can be made, but the following factors are obviously relevant to what the fact is and (hence) what the appearances are:



1. A lump sum payment made upon transition from private to Federal employment is less indicative of compensation for Federal employment than are periodic payments made while the Federal employment continues. (A lump sum payment is vastly preferable from the standpoint of appearances; when accepting installment payments, an employee can maliciously be described as being "on the payroll" of a private company.)

2. Contractual entitlement to the payment, created at the outset of the private employment relationship, is strong evidence of nonviolative intent. (Created after the prospect of Federal employment arises, it is much less convincing.) In this connection, it should be noted that the most common type of such contractually prescribed payment--participation in a "bona fide employee welfare or benefit plan"--is specifically exempted by § 209(b).

3. A payment which is extraordinarily high in light of the departing employee's previous salary and length of service is obviously suspect.

4. Where the payment is a gift (by which term I mean to include severance benefits which, though recited in the employment contract, can be granted or withheld at the employer's option), the fact that such payments were routinely made to departing employees of the level in question, even those retiring or entering other private employment, is evidence of legitimate intent.

5. Where the payment is contractually required or routinely accorded only when the employee leaves to enter Federal service, it would appear to be violative. For purposes of prior advice, at least, we would make the same assumption if the criterion for payment is "public service employment" generally.

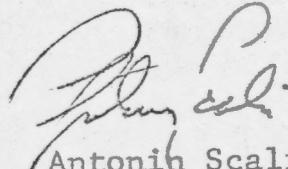
6. When the Federal position which the departing employee will occupy is one in which his actions cannot proximately benefit the former employer, a violative intent is obviously less likely. See 41 Op. A.G. 217, 221 (1955).

It must also be noted that severance payments in installments, even when they are permissible, and indeed even when they are explicitly sanctioned by § 209(b), may bring § 208(a) into play. That prohibits a Government employee from participating personally and substantially in the disposition of a



particular matter in which he has a financial interest. Where continuation of the installment payments is at the option of the former employer, or where mandatory payments are large in relation to the employer's income, the former employee might be considered to have a financial interest in a particular matter involving the employer. In this situation, depending on the facts, it may well be inappropriate for the employee's agency to give him a waiver as permitted by § 208(b).

Since application of § 209(a) is so intricate and since the most convincing evidence of nonviolation is the existence of properly framed contractual obligations before the prospect of Federal employment arises, you might want to consider the issuance of some guidance by the Civil Service Commission, to be widely distributed by the Commerce Department, so that employers will not inadvertently be subjecting their employees to the difficult choice between foregoing Federal employment or abandoning customary termination benefits.



Antonin Scalia
Assistant Attorney General
Office of Legal Counsel



PRESIDENTIAL CLEMENCY BOARD
THE WHITE HOUSE

WASHINGTON

January 23, 1975

File

MEMORANDUM FOR: PHILIP W. BUCHEN
FROM: RICHARD A. TROPP *RT*
SUBJECT: White House Office Standards
of Conduct

Attached is a copy of a memorandum which I have sent to each member of the Presidential Clemency Board for his information.

Attachment



PRESIDENTIAL CLEMENCY BOARD

THE WHITE HOUSE

WASHINGTON, D.C. 20500

January 23, 1975

MEMORANDUM FOR: GENERAL LEWIS W. WALT, USMC (Ret.)

FROM: RICHARD A. TROPP
Special Counsel

SUBJECT: White House Office Standards
of Conduct

Attached is a set of material from the office of the Counsel to the President on standards of conduct for members of the White House Office.

These standards apply to you as a member of the Presidential Clemency Board, because legally you are a consultant to the White House Office. Please read them carefully, and if you have any questions please call me.

Attachments



Wednesday 2/12/75

3:10 Mrs. Mariann Mackenzie called from the House Committee on Standards of Official Conduct and asked about an order or directive put out by the White House on conduct.

225-7103

Checked with Linder's office to see if it would be O. K. to give her a copy of our Standards of Conduct package.

They advised that at the time it was sent to the staff it was also made public through our press office -- so it would be O. K. They sent me copies of the packet and I sent a set to her by messenger.

House Committee on Standards of Official Conduct
Rm. 2360 Rayburn House Office Building
Washington, D. C. 20515

Attention: Mrs. Mariann Mackenzie



Feb. 12, 1975

To: Mrs. Mariann Mackenzie

From: Eva Daughtrey

**Attached is the package of
materials given to the White House
Staff -- on Standards of Conduct.**

**Please let us know if we can help
in any way in the future.**



Friday 2/28/75

9:20 Mr. Casselman would be happy to conduct the
3:30 briefing this afternoon -- in case you would
prefer that.



THE WHITE HOUSE
WASHINGTON

February 27, 1975

MEMORANDUM FOR: Phil Buchen

FROM: Bill Casselman 

At the request of Phil Areeda, I took your place at the White House Staff Briefing on Standards of Conduct, giving the background and introductory remarks. Dudley then discussed frequently asked questions and grey areas of the law.

Eva advises that you may wish to participate in tomorrow's briefing at 3:30 p.m. Therefore, I have enclosed my talking outline for whatever help it might be. I am presently scheduled to attend an East Room reception at 4:00 p.m., however, I can reschedule to brief at 3:30 if you are unable to attend.

Enclosure



I. Opening Remarks

II. Standards of Conduct

Most staffers not experience problems with.

Nature of White House employment presents greater possibility of being placed in compromising situation with attendant public attention.

Most Problems lie in the areas of judgment and good taste, rather than law.

Congress and the President have prescribed standards of conduct for employees.

Standards discussed in Tab E--read materials carefully.

Purpose is to alert staff to problem of ethical conduct so they know when to seek assistance from Counsel's Office.

If in doubt, call office before acting.

III. Philosphy of standards

Citizen entitled to confidence in integrity of government/obligation of employees to maintain and enhance citizen trust by personal ethics and official conduct.

How done?

IV. Avoidance and disclosure of potential conflicts

Note that dangers of conflicts of interest to Federal Government long recognized. First Congress prohibited the Secretary of Treasury from investing in Government securities.

Congress not defined "conflict of interest"--left to administrative definition.

Conflict is personal or private interest of employee in a matter involving duties or responsibilities as employee.



Not presuppose favoring private interest will prejudice Government interest and vice versa; nor presuppose official resolve matter to personal advantage rather than Government.

If in a position of conflicting interests, subject to the temptation and criticism however resolved.

Remember--avoid action constituting use of official position to advance personal or private interests and avoid situations that present appearance of misuse of position.

Significance of appearance vs. actual conflict.

Reminder--Federal statutes are criminal in nature.

V. Confidential Statements

Role of Counsel's Office in reviewing.

Not relieve employee of obligation to disclosure interest in a matter arising in course of employment and must refrain from participation until resolved.

Employee's obligation to inform Counsel of any change of employment, financial status, affecting content of statement or requirement for filing.

Introduction of Chapman.



Wednesday 2/26/75

Meeting
2/28/75
3:30 p. m.

9:15 The meetings for the White House Staff have been held this week.

Barry was checking to see if you might want to attend on Friday (2/28) at 3:30 p. m. and say a few words.

Rumsfeld has been speaking for 5 to 7 minutes, Casselman for 2-3 minutes, and Dudley for 5-6 minutes.

Rm 450 E013



THE WHITE HOUSE

WASHINGTON

January 20, 1975

MEMORANDUM FOR: PHIL BUCHEN
THROUGH: KEN LAZARUS *KL*
FROM: BARRY ROTH *BR*
SUBJECT: Meetings for the White House Staff

Ken and I have been working with Don Lowitz and Jerry Jones in organizing meetings that Don Rumsfeld intends to hold for the entire White House staff in early February (see attached Lowitz proposal to Rumsfeld). The Counsel's office is responsible for the portion of the meetings dealing with standards of conduct.

These meetings are tentatively scheduled daily at 3:30 p. m., during the week of February 10. The entire staff will be divided into five groups along the lines of proposal 1(a) in Lowitz' memorandum. Rumsfeld intends to give brief introductory remarks at each session. He has left it up to you to what extent you may wish to personally participate. Ken, Dudley and I will prepare an outline of remarks for whomever you wish to make this presentation. You may prefer to be present only for brief remarks and have Bill, Ken or Dudley fill in the details of a presentation that is expected to last approximately fifteen minutes. Jerry Jones will discuss White House organization and the new staff manual which is to be distributed prior to the meetings. Chief Drescher of the EPS will handle the security aspect of the briefings.

Don Lowitz will be in town on Tuesday, January 21, if you wish to discuss this with him.

cc: Mr. Casselman
Mr. Chapman



December 4, 1974

MEMORANDUM

FOR: DONALD RUMSFELD

FROM: Don Lewitz

SUBJECT: Staff Meetings re: Standards of Conduct,
Security and Day-to-Day White House Operations

Pursuant to our earlier discussions and your indication that the staff should be continually informed of what is expected of them regarding standards of conduct and the security measures to be employed in their work, as well as the problems which arise in the day-to-day operations of the White House office, the following is a suggested format for staff meetings.

Attendance at Meetings - The staff will be divided into groups. Two alternative groupings are set out for your consideration:

- (1) a. The Senior staff members who attend the staff meetings in the Roosevelt Room each morning could be briefed at one of the regular sessions.
- b. The balance of the commission/^{ed}staff, all staff assistants and the remainder of the "political" staff which includes research assistants, secretaries, interns, etc., all of whom are excepted appointees and now numbering around 200. These persons would be organized by their respective staff office (e.g., Walker, Theis, Timmons, etc.), and would be handled in several groups.
- c. The career employees who now number around 350. They would be handled in two or more sessions.
- d. The Domestic Council staff will be covered in the appropriate categories.



- (2) a. Senior commissioned personnel, numbering about 15.
- b. Remainder of the commissioned personnel, numbering about 30.
- c. Deputy Special Assistants, Domestic Council professionals and special categories such as OMB top officials. This group would number about 35.
- d. Staff Assistants, numbering about 40.
- e. Non-professional excepted appointees, numbering about 100.
- f. Career employees numbering about 200 to 300.

Date of Staff Meetings

The meetings should be held during the first and second week of January. After discussion with Jerry Jones, this seems to be a better time than early December primarily because by early January the new Ford staff will be pretty well in place and we would then be briefing people who can be expected to continue in their position for some time. In addition, Statements of Employment and Financial Interests now being submitted will have then been reviewed and we will be in a better position to discuss questions that have arisen on those statements.

Meeting Format

With the exception of the Senior staff people, each meeting would last somewhere between one to one-and-a-half hours, and would be divided into three parts. One would deal with standards of conduct and would be handled by the Counsel's office. The second would deal with security precautions such as locking up files, not leaving confidential materials unattended, etc. This would be handled by the EPS, probably Mr. Dresser. The third segment would be the day-to-day operations of the White House, such as use of the telephone for personal calls, White House stationary, preparation of memos for the President, etc. This would be handled by Jerry Jones.

In addition to these presentations, a question and answer period would be included and hopefully would elicit questions raising



significant issues.

Possible Participation of the President and Senior Staff

To the extent that the President and appropriate members of the Senior staff are able to participate, the impact of these meetings would be substantially increased. Accordingly, this could include brief remarks by the President, Phil Buchen and yourself. Ideally, you and Phil would participate to some extent at each meeting.

Jerry Jones will probably have some written material in connection with the day-to-day operations, which would be passed out in advance of the meeting in order that the staff would be familiar with it and could raise any questions they had.

ACTION:

1. The proposals for the staff meetings in early January is agreeable, please proceed _____
2. The proposals for the staff meetings is agreeable, but it should be held sooner _____
3. The attendees should be set out in:
Alternative 1 _____
Alternative 2 _____
See me _____
4. Plan on participation by the President _____
5. Do not plan on participation by the President _____
6. Rumsfeld and Buchen should participate, check with Buchen _____
7. Rumsfeld and Buchen will not participate _____
8. See me _____

