
INTERIM HANDBOOK OF EMPLOYEE CONDUCT AND ETHICAL BEHAVIOR

September 30, 1994

RETAIN THIS IN YOUR ETHICS RESOURCES GUIDE

INTERIM HANDBOOK OF EMPLOYEE CONDUCT AND ETHICAL BEHAVIOR

It has been nearly two years since the Standards of Ethical Conduct for Employees of the Executive Branch, the "Office of Government Ethics (OGE) Regulations," went into effect on February 3, 1993. At that time, you received two documents, the Standards themselves (Document 9077) and a Self-Study Guide to the Standards (Document 9076). Those regulations superseded many of our Rules of Conduct and many of the Department of the Treasury's Minimum Standards of Conduct.

The Service plans to issue a handbook containing all of the pertinent regulations, including revised IRS rules, revised Departmental standards, supplemental regulations which the Department has drafted, and other regulations, policy and guidance. However, because of delays in the issuance of certain regulations, the Service has decided that this interim handbook should be issued. Included are interim revised IRS rules, which contain no substantive changes, although some rules have been replaced by the Treasury Minimum Standard or Office of Personnel Management regulation dealing with the same issue. The Handbook also contains other important regulations, statutes, policies, and guidance. Some of the information has been previously provided to you. However, it is essential that you have on hand issuances such as the Declaration of Privacy Principles which, while it does not contain rules of conduct, constitutes fundamental advice with regard to taxpayer privacy, an issue of vital concern to the Service.

You will still need to retain Documents 9077 and 9076, although you will no longer need to refer to pages 30 through 33 of Document 9076 to determine the non-superseded IRS and Treasury Rules. Copies of Documents 9076 and 9077 can be obtained from your personnel office. Document 7098, the IRS Rules of Conduct, is now obsolete.

Please take the time to read the material in this Interim Handbook, sign the acknowledgment form in the back, and give it to your supervisor.

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ISSUANCE 1 -- Interim Internal Revenue Service Rules of Conduct. These Rules replace the IRS Rules not superseded by the Standards of Ethical Conduct for Employees of the Executive Branch (5 CFR 2635, see Document 9077) which have been listed on pages 32 and 33 of the Self-Study Guide to the Standards of Conduct (Document 9076). Administrative responsibilities and procedures found in IRM 0735.1, Handbook for the Rules of Conduct, remain in effect to the extent that they pertain to non-superseded rules. Final Rules will be published along with Department of the Treasury Supplemental Regulations and revised Treasury Minimum Standards, when the latter documents are issued.

ISSUANCE 2 -- Title 5 Code of Federal Regulations Part 735, Subpart B - Standards of Conduct. Office of Personnel Management Rules dealing with gambling, safeguarding the examination process, and conduct prejudicial to the Government.

ISSUANCE 3 -- Declaration of Privacy Principles. This communicates the Service's commitment to protecting taxpayer privacy rights.

ISSUANCE 4 -- Title 18, U.S.C. Section 208 -- Acts affecting a personal financial interest. The statutory prohibition dealing with financial conflicts of interest. Implementing regulations can be found at Subparts D and F of the Standards of Ethical Conduct for Employees of the Executive Branch.

ISSUANCE 5 -- IRS Diversity Policy and IRS Policy Against Sexual Harassment.

ISSUANCE 6 -- Department of the Treasury, Minimum Standards of Conduct (31 CFR Part O). Treasury Standards which have not been superseded by the Standards of Ethical Conduct for Employees of the Executive Branch.

ISSUANCE 7 -- Guide for Penalty Determinations.

ATTACHMENT -- Acknowledgement of Receipt. You must read this Handbook, sign the acknowledgement of receipt, and give it to your supervisor. Your supervisor will give you time to review the Handbook.

Questions concerning the regulations, policies, and guidance contained in this Handbook should be addressed to your supervisor. In accordance with established procedures, questions may also be addressed to the Deputy Agency Ethics Official.

INTERIM IRS RULES OF CONDUCT

A Supplement to the Department of the Treasury Minimum Standards of Conduct and the Standards of Ethical Conduct for Employees of the Executive Branch

210 Scope and Introduction

211 Introduction

In order for the Service to serve the public interest, the Service and its employees must hold and maintain the confidence and esteem of the public we serve. To achieve this, employees are expected to conduct themselves in their official relations with the public and their fellow employees, in a courteous, businesslike, and diplomatic manner. Conduct which does not conform to these rules, or related statutes or regulations, and which directly impacts on an employee's position, official duties, or the Service, may subject the employee to appropriate disciplinary action. The absence of a specific rule relating to an employee's action which may impact on the employee's official duties or the Service, does not mean that such an act is either condoned or may not result in disciplinary action. These rules supplement the Department of the Treasury Minimum Standards of Conduct, 31 CFR Part 0, and the Standards of Ethical Conduct for Employees of the Executive Branch, 5 CFR Part 2635.

212 Employee Obligations

Each employee is required to: (1) know the Standards of Conduct and their application in his or her case, (2) seek information from his or her supervisor in case of doubt or misunderstanding on the application of the Standards of Conduct, (3) adhere to the Standards of Conduct, and (4) be aware of the consequences of violation of the laws, rules, and regulations regarding conduct. [' 0.735-12(a) of the Department of the Treasury, Minimum Standards of Conduct.]

213 Deputy Agency Ethics Official

The Assistant Chief Counsel (General Legal Services), located in Washington DC, is the Service's Deputy Agency Ethics Official (DAEO). The duties of the DAEO include providing Service employees with counseling regarding interpretation or application of these rules of conduct, related statutes or regulations, and conflict of interest questions. Employees desiring to avail themselves of the DAEO's services regarding matters of immediate or future personal interest or involving prospective employment, should consult their Personnel Office or the appropriate collective bargaining agreement, as applicable.

214 Matters of Official Interest and Activity

214.1 Responding to Questions

When directed by Inspection or other competent authority, employees must testify, provide information, or respond to questions (under oath when required) concerning matters of official interest.

214.2 Testimony in State or Local Courts

Employees may not provide official records or testimony regarding their employment or official duties to any person, officer, or court, state or local, without receiving express authority. Upon receipt of any subpoena, employees will promptly seek guidance from their supervisor.

214.3 Reporting Allegations or Information of Employee Misconduct

Any employee who has information indicating that another employee engaged in any criminal conduct or violated any of the rules of these Standards of Conduct shall promptly convey such information to the Inspector General or to Inspection. The confidentiality of the source of such report will be maintained in a manner appropriate to the circumstances of the case. [' 0735-12 (b) of the Department of the Treasury, Minimum Standards of Conduct]

214.4 Reporting Attempted Bribes

Attempts to bribe Service employees represent flagrant attacks on the integrity of the Service and its employees. To assist the Service in preserving the highest level of integrity, employees should be perceptive and alert to such overtures and take the following action when bribery overtures are received. Avoid any statement or implication that the employee will or will not accept the bribe. Attempt to hold the matter in abeyance. Report the matter directly to the nearest office of Inspection promptly or as soon as practical. Avoid unnecessary discussion of the matter with anyone.

214.5 False Statements

Employees shall avoid making false, misleading or ambiguous statements, deliberately or willfully, whether oral or written, in connection with any matter of official interest. Some of these matters of official interest are: transactions with the public, other Federal agencies or fellow employees; application forms and other forms which serve as a basis for appointment, reassignment, promotion or other personnel action; vouchers; leave records; work reports of any nature or accounts of any kind; affidavits; entry or record of any matter relating to or connected with the employee's duties; and report of any moneys or securities received, held or paid to, for or on behalf of the United States. [' 0.735-55(a) of the Department of the Treasury, Minimum Standards of Conduct.]

214.6 Trade Secrets, Style of Work, etc.

Employees may not disclose, in any manner, information coming to their attention during the course of their employment or official duties which concerns or relates to the trade secrets, style of work, or device, of any person, firm, or entity except as provided by law.

214.7 Service Operations

Employees may not disclose official information without either appropriate general or specific authority under Department or bureau regulations. However, employees who are so authorized should make every effort to comply promptly and courteously with requests by the public for information, when permitted to do so by law. [' 0.735-47 of the Dept. of the Treasury, Minimum Standards of Conduct.]

214.8 Tax Information -- Confidentiality

Employees may not disclose any tax return or information pertinent to a tax return except as provided in the Internal Revenue Code. Civil and criminal sanctions for established violations are prescribed in the Internal Revenue Code and the Privacy Act of 1974. IRM 1272, Disclosure of Official Information Handbook, contains detailed guidance on the treatment of tax returns and return information.

215 Matters Concerning Official Activities

215.1 Loyalty and Strikes

Employees must adhere to their oath of office and appointment affidavit which includes provisions on loyalty and prohibitions against strikes.

215.2 Performance of Duty

Employees are expected to conscientiously perform their duties to the Government and the public, respond readily to the direction of their supervisors, and conduct their relations with fellow employees in a manner which does not cause dissension or discord.

215.3 Observance of duty hours

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

215.4 Firearms

Employees while on official duty or while in Government buildings shall not have in their possession firearms, other dangerous or deadly weapons or explosives, either openly or concealed, except for official purposes. [' 0.735-59 of the Department of the Treasury, Minimum Standards of Conduct.] Employees who possess such objects in the performance of official duties are forbidden to unnecessarily display them in public.

215.5 Appearance

Employees are expected to groom themselves in a manner fitting to the surroundings into which their work assignments take them.

216 Matters Concerning Personal Activities

216.2 Personal Associations and Activities

Employees will be held responsible for any public discredit which may result from unjustified association with criminal or notoriously disreputable persons.

216.3 Use of Intoxicants

Employees must refrain from using intoxicants or controlled substances habitually, to excess or in any way which adversely affects their work performance. In addition, employees are forbidden from engaging in the illegal sale, use or possession of controlled substances while on Department premises or on official duty. [' 0.735-42(a) of the Department of the Treasury, Minimum Standards of Conduct.]

216.4 Gambling

While on Government-owned or leased property or while on duty for the Government, an employee shall not conduct, or participate, in, any gambling activity including the operation of a gambling device, conducting a lottery or pool, a game for money or property, or selling or purchasing a numbers slip or ticket. This does not preclude activities necessitated by an employee's official duties or under section 7 of Executive Order 12353 and similar agency-approved activities. [5 CFR 735.201]

216.5 Lending or Borrowing

[See Standards of Ethical Conduct for Employees of the Executive Branch, IRS Document 9077, Subpart C-Gifts Between Employees]

216.6 Indebtedness

[See Standards of Ethical Conduct for Employees of the Executive Branch, IRS Document 9077, Subpart H-Outside Activities, ' 2635.809.]

216.7 Tax Obligations

[See Standards of Ethical Conduct for Employees of the Executive Branch, IRS Document 9077, Subpart H-Outside Activities, ' 2635.809.]

216.8 Political Activity

[See Hatch Act Reform Amendments of 1993 and Interim OPM Regulations published in the February 22, 1994, and September 23, 1994, Federal Registers. An Information Notice concerning political activity is in preparation. Questions may be referred to your supervisor, personnel office, the DAEO, or the Office of Special Counsel (800-854-2824).]

216.9 Soliciting for Employee Organizations

[See Standards of Ethical Conduct for Employees of the Executive Branch, IRS Document 9077, Subpart B-Gifts from Outside Sources, ' ' 2635.202 & 203(d), and Subpart H-Outside Activities, ' 2635.808]

217 Matters Concerning Government Property, etc.

217.1 Accountability for Money and Property

Employees are expected to promptly report the loss of, or damage to, property entrusted to them and return all Government property upon separation from the Service. [See also Standards of Ethical Conduct for Employees of the Executive Branch, IRS Document 9077, Subpart G-Misuse of Position, ' 2635.704]

217.2 Use of Government Vehicles

Employees are prohibited from using Government cars for other than official purposes. Use of such cars for transportation of employees between their domiciles and places of employment can only be justified where affirmatively authorized by statute, as in 31 U.S.C. 1344. Employees who violate this section shall be suspended from duty without compensation for not less than one month and may be suspended for a longer period or removed from office if circumstances warrant. [' 0.735-46 of the Department of the Treasury, Minimum Standards of Conduct.] Employees may not transport in a Government owned or leased vehicle any person who is not on official business.

217.3 Influencing Legislation

Employees are prohibited from using Government time, money or property (as, for example, through sending telegrams or letters) to influence a Member of Congress to favor or oppose any legislation. This prohibition does not apply to the official handling through proper channels of matters relating to legislation affecting the Department of the Treasury (18 U.S.C. 1913). Employees

have the right to petition Members of Congress either individually or collectively or to furnish information to any

committee or member of either House of Congress (5 U.S.C. 7211) when not using Government time, money or property.
[10.735-52 of the Department of the Treasury, Minimum Standards of Conduct]

217.4 Use of Pocket Commissions, Enforcement Badges, and ID Cards

Pocket commissions, enforcement badges, and various identification cards issued to employees are to be used to establish identification or authority in connection with official duties. They may be used for personal identification purposes, e.g., for cashing checks or proof of employment; but may not be used to exert influence or obtain, either directly or indirectly, privileges, favors, or rewards.

217.5 Computers

[See Standards of Ethical Conduct for Employees of the Executive Branch, IRS Document 9077, Subpart G-Misuse of Position, '2635.704]

220 Outside Employment and Business Activity

221 General Rule

Employees of the Internal Revenue Service enjoy the maximum freedom possible to engage in outside employment or business activity, whether performed outside official hours of duty or while in an approved leave status, as long as consistent with the Service's functional responsibilities established by statute and regulation. Nevertheless, the Service's extremely sensitive mission and the attendant importance of public relations necessitate certain restrictions. Thus, as a general rule, employees may engage in any outside employment or business activity provided such activity is not prohibited. The approval or disapproval of requests for outside employment or business activities are dependent on, and subject to, individual considerations relevant in the judgment of the approving authority. Such considerations include an employee's position, grade, or geographical locale. Whether a salary is involved is usually not relevant to such determinations.

222 Consultants, Experts, etc.

These rules do not apply to consultants, experts, or other Special Government employees as defined in 18 USC 202.

223 Principles

1. The fundamental principles which govern the permissibility of outside employment are that:

- a. The outside activity does not place the employee in a situation where there may be a possible conflict, or the appearance of a conflict, between his or her private interests and his or her official duties and responsibilities.
- b. The outside activity (unless otherwise permitted) does not deal directly with any tax related matters.
- c. The outside activity will not result in improper use of official information obtained in connection with the employee's Government duties or position.
- d. The nature of employment or business activity or the hours to be devoted to such outside activity will not impair the employee's availability, capacity, or efficiency for the performance of his or her official duties.
- e. The employee will not in any manner advertise or make it known that he or she works for the Service in order to generate or enhance business.
- f. The employee will not do indirectly, i.e., in the name of, or through family, that which he or she is prohibited to do directly. "Family" means persons within the following degree of kinship to the employee or spouse: parents, children, grandchildren, or siblings.

224 Prohibited Activities

224.1 Service Rule

Employees may not engage in any outside employment or business activity which gives rise to a real or apparent conflict of interest. Such incompatible activities include:

- a. Legal Employment or Practice--Legal activities involving Federal, State, local tax matters, or any matter in which the United States is a party.

b. Appearance On Behalf of Taxpayers--Appearing on behalf of any taxpayer as an attorney, agent, or representative before any governmental agency, federal, state, or local--in an action involving a tax matter except upon written authorization of the Commissioner of the Internal Revenue Service.

c. Accounting--Engaging in accounting, the use, analysis, and interpretation of financial records when such activity involves tax matters.

d. Bookkeeping--Engaging in bookkeeping, the recording of transactions, record making phase of accounting, when such activity is directly related to a tax determinations.

e. Preparation of Tax Returns for Compensation--Engaging in the preparation of tax returns for compensation, gift, or favor.

225 Restricted Activities

225.1 Service Rule

Employees must, prior to engaging in any outside employment or business activity, either with or without compensation, request and obtain written permission from the appropriate official. Subject to Section 224 such activities may be approved unless the activity would result in an actual or apparent conflict of interest. The following activities listed under Section 225.2 represent examples of areas of outside employment or business activity where an actual or apparent conflict of interest will most likely occur. As such, particular attention should be paid to this guidance by employees in seeking approval.

225.2 Miscellaneous Outside Activities

1. Speeches and Publications

a. Public addresses and articles for publication, whether performed as an official duty or in a private capacity, which deal with official operations or policies of the Service or the Department of the Treasury, must be cleared in advance in accordance with current Service directives. (See IRM 1(19)40.) Specific written permission in advance is necessary if the author is to be identified as a Service employee.

b. Where any such activity is performed as an official duty, employees may not accept a fee, salary, honorarium, or other compensation from any source other than the Federal Government. Acceptance of reimbursement for travel, lodging, meals, or nominal courtesies is governed by Subpart B of the Standards of Ethical Conduct for Employees of the Executive Branch.

c. Where any such activity is performed in a private capacity, employees may accept a fee, salary, or other compensation which is reasonable and in accordance with these rules and the Standards of Ethical Conduct for Employees of the Executive Branch.

2. Legal Employment or Practice

Outside employment and legal activities may be approved provided that employees may not advertise nor be affiliated with a firm and the activity is not remotely involved with tax law. For example, adoptions, title searches, law clerkships, and all legal services to immediate family are not considered to be involved with tax law.

3. Bookkeeping and Accounting

a. Employees may be authorized to engage in the full range of bookkeeping activities, (the recording of transactions, record making phase of accounting), provided that such activity does not involve or influence a tax determination.

b. Employees may be authorized to engage in bookkeeping and accounting activities which involve or influence a tax determination only in the following situations:

1. Where an employee, whose official duties could not influence a tax determination or collection, wishes to keep the books for a firm owned or run by his or her immediate family and the prospects are remote for a conflict of interest;
2. Where the activity is for a civic, religious, educational, or charitable nonprofit organization and is unpaid; and
3. Where the employee has been given permission to otherwise engage in a business with a spouse.

4. Gambling Casinos and Establishments

Employees may engage in employment at a parimutuel betting establishment. However, generally, employees may not work at casinos or gambling establishments.

5. Financial Counseling/Planning Service

Generally, employees may engage in the sale or promotion of services in fields of finance, such as financial investment counseling/planning services or similar related activities, as long as they are not directly or indirectly related to tax matters.

6. Holding Public Office

[See Rule 216.8.]

7. Teaching/Instructing of Tax Related Courses

Qualified employees may engage in part-time teaching/instructing of course in taxation at institutes of good standing in the community, including practitioner institutes. Proper authorization in accordance with established procedures must be obtained in advance.

226 Applying for Permission

Except as provided in Section 228, employees requesting permission to engage in an activity must submit three completed copies of Form 7995, Outside Employment and Business Request, to their immediate supervisor. Employees will likewise be expected to provide any supplementary information requested by their supervisor, reviewers, or approving official to facilitate review of their requests.

227 Appeals

Employees who feel that they have grievances as a result of denials of permission to engage in outside employment or business activity, may appeal the disapproval decisions pursuant to IRM 0771.1, Grievance Handbook, or a negotiated grievance procedure, as applicable.

228 Seasonals

Seasonal employees may not engage in any activity described in Section 224. While in non-duty status, such employees may accept/engage in outside employment without obtaining prior written permission that is otherwise required. Upon return to duty status, the employee must submit a written request, Form 7995, if the outside employment activity continues.

229 Activities Which Do Not Require Prior Approval

229.1 General

Written permission is not required to engage in outside activities which are not considered to be employment or business. Although every specific activity is not covered, the general categories discussed below are furnished as basic guidelines.

229.2 General Examples

1. Membership and services (including holding of office) in civic, scout, religious, educational, fraternal, social, community, veteran, and charitable organizations, including corporations, where such office or services do not entail the management of a business type activity such as the direct operation of a commercial type clubhouse.
2. Membership and services (including holding of office) in Federal employee organizations and recognized Federal employee unions. However, employees in certain positions are prohibited from holding office in recognized employee organizations. If there is any doubt as to the propriety of accepting an office, the matter should be promptly referred to the servicing Personnel Office for decision.
3. Membership and services (including holding office) in local offices of legally authorized credit unions whether or not they are run by and for Service personnel. This includes paid bookkeeping work performed by the treasurer as well as part-time clerical or teller services.
4. Membership in investment club enterprises.
5. Services as a Notary Public.
6. Unpaid bookkeeping, preparation of tax returns and other forms required by the Service, and the maintenance of other records for civic, religious, educational, and charitable nonprofit organizations which are exempt from Federal income tax.

7. Sales of articles to coworkers, friends, relatives, and neighbors not involving sales to, and solicitation of, the general public. Such sales must not be solicited for or transacted during office hours or in space occupied by Treasury or Service offices.
8. Rental of personally owned property, real or personal. However, employees must seek written approval pursuant to Section 226 of this document if the extent or scope of such rental activities could lead others reasonably to conclude that the employee is involved in the operation of a commercial business venture.
9. Minor services and odd jobs for friends, relatives, or neighbors.
10. Temporary (30 days or less) emergency assistance in a family enterprise in case of an emergency, such as the death or serious illness of, or incapacitating accident to, a member of the family engaged in such business. This exception is to ensure that the employee will not, by administrative restrictions, be denied the right immediately to assume a share of the responsibilities in the family emergencies. Written permission is required if the need for such assistance continues beyond 30 calendar days or occurs more often than once in a calendar year.
11. Participation in fundraising drives as chairperson or in other capacities, subject to these conditions:
 - a. The fundraising drive must not be for any purpose or cause likely to reflect discredit or embarrassment on the Service or be in conflict with the interest of the Federal Government.
 - b. If the employee is to serve as chairperson of a fundraising drive, the drive must be under the auspices of nonprofit civic, religious, charitable, educational, fraternal, veteran, professional, scout, or social service organizations; or a Federal Government section of a drive.
12. Furnishing advice and assistance in the preparation of tax returns where there is no fee or other consideration.
13. Being custodian of one's child's property, or acting as administrator, executor, guardian, or attorney-in-fact for a relative or friend provided the duties do not entail operation of a business. Such services are not considered legal employment or practice. Acceptance of an executor's or trustee's fee is permissible if no part of the fee is specifically identified as payment for tax return preparation.

230 Conflicts of Interest; 231 General Provisions; 232 Self-Disqualification from Certain Assignments

[See Standards of Ethical Conduct for Employees of the Executive Branch, IRS Document 9077, Subpart A-General Provisions, ' 2635.101(b)(2)&(14); Subpart D-Conflicting Financial Interests; Subpart E-Impartiality in Performing Official Duties; and Subpart F-Seeking Other Employment.]

233 Purchase of Government Property

[A similar rule has been published in the **proposed** Supplemental Standards of Ethical Conduct for Employees of the Department of the Treasury, which will apply to IRS employees. See page 29 of Document 9076.]

234 Gifts and Gratuities

234.1 From Sources Outside of the Service

[See Standards of Ethical Conduct for Employees of the Executive Branch, IRS Document 9077, Subpart B-Gifts from Outside Sources]

234.2 From Other Employees

[See Standards of Ethical Conduct for Employees of the Executive Branch, IRS Document 9077, Subpart C-Gifts Between Employees]

234.3 From Foreign Government

[See Standards of Ethical Conduct for Employees of the Executive Branch, IRS Document 9077, Subpart B-Gifts from Outside Sources, ' 2635.204(i)&(l)(2); ' 0.735-35 of the Department of the Treasury, Minimum Standards of Conduct; and implementing regulations]

235 Relations With the Public

235.1 Recommending Attorneys, Accountants

[A similar rule has been published in the **proposed** Supplemental Standards of Ethical Conduct for Employees of the Department of the Treasury, which will apply to IRS employees. See page 29 of Document 9076.]

235.2 Transactions with Taxpayers and Their Representatives

[See Standards of Ethical Conduct for Employees of the Executive Branch, IRS Document 9077, Subpart E-Impartiality in Performing Official Duties.]

235.3 Payment or Reimbursement of Travel and Subsistence Expenses by State, Counties, Or Municipalities, or by Certain Tax-Exempt Organizations

[See Standards of Ethical Conduct for Employees of the Executive Branch, IRS Document 9077, Subpart B-Gifts From Outside Sources, §§ 2635.202(b)(8)(i) and 204(l)(1). However, as a matter of Service policy, travel expenses incident to official assignments will be paid or reimbursed by the Service under applicable regulations. Payments or reimbursements will not be accepted from non-Federal entities. (December 24, 1992, memorandum from the Deputy Commissioner)]

240 Statements of Employment and Financial Interest

[See Executive Branch Financial Disclosure, Qualified Trusts, and Certificates of Divestiture, Title 5 CFR Part 2634, and implementing regulations.]

5 C.F.R. Part 735

PART 735 -- EMPLOYEE RESPONSIBILITIES AND CONDUCT

Subpart B -- Standards of Conduct

735.201 Gambling.

(a) While on Government-owned or leased property or while on duty for the Government, an employee shall not conduct, or participate, in, any gambling activity including the operation of a gambling device, conducting a lottery or pool, a game for money or property, or selling or purchasing a numbers slip or ticket.

(b) This section does not preclude activities:

- (1) Necessitated by an employee's official duties; or
- (2) Under section 7 of Executive Order 12353 and similar agency-approved activities.

735.202 Safeguarding the examination process.

(a) An employee shall not, either for or without compensation, engage in teaching, lecturing, or writing for the purpose of the preparation of a person or class of persons for an examination of the Office of Personnel Management or Board of Examiners for the Foreign Service that depends on information obtained as a result of the employee's Government employment.

(b) This section does not preclude the preparation described in paragraph (a) of this section if:

(1) The information upon which the preparation is based has been made available to the general public or will be made available on request; or

(2) Such preparation is authorized in writing by the Director of the Office of Personnel Management or his or her designee, or by the Director General of the Foreign Service or his or her designee as applicable.

735.203 Conduct prejudicial to the Government.

An employee shall not engage in criminal, infamous, dishonest, immoral, or notoriously disgraceful conduct, or other conduct prejudicial to the Government.

DECLARATION OF PRIVACY PRINCIPLES

The privacy principles set forth in this declaration are based on the ethical and legal obligations of the Internal Revenue Service to the taxpaying public and the responsibility of all IRS employees to recognize and treat their office as a public trust.

The obligation to protect taxpayer privacy and to safeguard the information taxpayers entrust to us is a fundamental part of the Service's mission to administer the tax law fairly and efficiently. Taxpayers have the right to expect that the information they provide will be safeguarded and used only in accordance with law. In recognition of these obligations, policies and procedures must clearly state who should have access to what information and for what purposes. In addition, appropriate limitations must be placed on the collection, use and dissemination of taxpayers' personal and financial information, and sufficient technological and administrative measures must be implemented to ensure the security of IRS data systems, processes and facilities.

All IRS employees are required to exhibit individual performance that reflects a commitment to dealing with every taxpayer fairly and honestly, and to respect the taxpayers' right to feel secure that their personal information is protected. To promote and maintain taxpayers' confidence in the privacy, confidentiality, and security protections provided by the IRS, the Service will be guided by the following Privacy Principles:

- Principle 1: Protecting taxpayer privacy and safeguarding confidential taxpayer information is a public trust.
- Principle 2: No information will be collected or used with respect to taxpayers that is not necessary and relevant for tax administration and other legally mandated or authorized purposes.
- Principle 3: Information will be collected, to the greatest extent practicable, directly from the taxpayer to whom it relates.
- Principle 4: Information about taxpayers collected from third parties will be verified to the extent practicable with the taxpayers themselves before action is taken against them.
- Principle 5: Personally identifiable taxpayer information will be used only for the purpose for which it was collected, unless other uses are specifically authorized or mandated by law.
- Principle 6: Personally identifiable taxpayer information will be disposed of at the end of the retention period required by law or regulation.
- Principle 7: Taxpayer information will be kept confidential and will not be discussed with, nor disclosed to, any person within or outside the IRS other than as authorized by law in the performance of official duties.

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- Principle 8: Browsing, or any unauthorized access of taxpayer information by any IRS employee, constitutes a serious breach of the confidentiality of that information and will not be tolerated.
- Principle 9: Requirements governing the accuracy, reliability, completeness, and timeliness of taxpayer information will be such as to ensure fair treatment of all taxpayers.
- Principle 10: The privacy rights of taxpayers will be respected at all times and every taxpayer will be treated honestly, fairly and respectfully.

This declaration does not, in itself, create any legal rights for taxpayers, but it is intended to express the full and sincere commitment of employees to the laws which protect taxpayer privacy rights and which provide redress for violation of those rights.

ISSUANCE 4 - The statutory prohibition against participating in matters affecting an employee's own financial interests or the financial interests of other specified persons or organizations. This forms the legal basis for many of the regulatory restrictions found in Standards of Ethical Conduct for Employees of the Executive Branch (5 CFR 2635), Subparts D - Conflicting Financial Interests and F - Seeking Other Employment.

Title 18 United States Code Section 208 -- Acts affecting a personal financial interest.

(a) Except as permitted by subsection (b) hereof, whoever, being an officer or employee of the executive branch of the United States Government, or of any independent agency of the United States, a Federal Reserve bank director, officer, or employee, or an officer or employee of the District of Columbia, including a special Government employee, participates personally and substantially as a Government officer or employee, through decision, approval, disapproval, recommendation, the rendering of advice, investigation, or otherwise, in a judicial or other proceeding, application, request for a ruling or other determination, contract, claim, controversy, charge, accusation, arrest, or other particular matter in which to his knowledge, he, his spouse, minor child, general partner, organization in which he is serving as officer, director, trustee, general partner or employee, or any person or organization with whom he is negotiating or has any arrangement concerning prospective employment, has a financial interest-- shall be subject to the penalties set forth in ' 216 of this title.

(b) Subsection (a) shall not apply--

(1) if the officer or employee first advises the Government official responsible for appointment to his position of the nature and circumstances of the judicial or other proceeding, application, request for a ruling or other determination, contract, claim, controversy, charge, accusation, arrest, or other particular matter and makes full disclosure of the financial interest and receives in advance a written determination made by such official that the interest is not so substantial as to be deemed likely to affect the integrity of the services which the Government may expect from such officer or employee;

(2) if, by general rule or regulation issued by the Office of Government Ethics applicable to all or a portion of all officers and employees covered by this section and published in the Federal Register, the financial interest has been exempted from the requirements of subsection (a) as being too remote or too inconsequential to affect the integrity of the services of the Government officers' or employees' to which such regulation applies;

(3) in the case of a special Government employee serving on an advisory committee within the meaning of the Federal Advisory Committee Act (including an individual being considered for an appointment to such a position), the official responsible for the employee's appointment, after review of a financial disclosure report filed pursuant to the Ethics in Government Act of 1978, certifies in writing that the need for the individual's services outweighs the potential for a conflict of interest created by the financial interest involved; or

(4) the financial interest that would be affected by the particular matter involved is that resulting solely from the interest of the officer or employee, or his or her spouse or minor child, in birthrights--

(A) in an Indian tribe, band, nation, or other organized group or community, including any Alaska Native village corporation as defined in or established pursuant to the Alaska Native Claims Settlement Act, which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians,

(B) in an Indian allotment the title to which is held in trust by the United States or which is inalienable by the allottee without the consent of the United States, or

(C) in an Indian claims fund held in trust or administered by the United States, if the particular matter does not involve the Indian allotment or claims fund or the Indian tribe, band, nation, organized group or community, Alaskan Native village corporation as a specific party or parties.

(c)(1) For the purpose of paragraph (1) of subsection (b), in the case of class A and B directors of Federal Reserve Banks, the Board of Governors of the Federal Reserve System shall be deemed to be the Government official responsible for appointment.

(2) The potential availability of an exemption under any particular paragraph of subsection (b) does not preclude an exemption being granted pursuant to another paragraph of subsection (b).

(d)(1) Upon request, a copy of any determination granting an exemption under subsection (b)(1) or (b)(3) shall be made available to the public by the agency granting the exemption pursuant to the procedures set forth in section 105 of the Ethics in Government Act of 1978. In making such determination available, the agency may withhold from disclosure any information contained in the determination that would be exempt from disclosure under section 552 of title 5. For purposes of determinations under subsection (b)(3), the information describing each financial interest shall be no more extensive than that required of the individual in his or her financial disclosure report under the Ethics in Government Act of 1978.

(2) The Office of Government Ethics, after consultation with the Attorney General, shall issue uniform regulations for the issuance of waivers and exemptions under subsection (b) which shall--

(A) list and describe exemptions; and

(B) provide guidance with respect to the types of interests that are not so substantial as to be deemed likely to affect the integrity of the services the Government may expect from the employee.

DIVERSITY POLICY

The Internal Revenue Service is an organization which respects each employee and the diverse public which it serves. In working to fulfill the mission of the Internal Revenue Service, all employees will have the opportunity to develop fully their potential and to be valued for the unique characteristics and talents they bring to the organization.

IRS POLICY AGAINST SEXUAL HARASSMENT

" **It is** the policy of the Internal Revenue Service that all our employees **will be able** to enjoy a work environment free from all forms of discrimination, including sexual harassment.

" Sexual harassment is illegal under Title VII of Civil Rights Act of 1964, as amended and as implemented by 29 CFR 1604.11, and is prohibited under the IRS Rules of Conduct.

" Sexual Harassment is **unwelcome sexual advances, requests for sexual favors and other verbal or physical conduct of a sexual nature which create an intimidating, hostile or offensive work environment or which impact on an employee's employment status.**

" Such conduct, whether it is committed by executives, managers, supervisors, non-supervisors (co-workers) or non-employees (contractors, taxpayers, visitors to the workplace, etc.) is specifically prohibited **and will not be tolerated.** This behavior includes: repeated offensive sexual flirtation, verbal harassment or abuse, subtle pressure for sexual activity, graphic or degrading verbal comments about an individual or his or her appearance, physical assault, the display of sexually suggestive objects or any offensive or abusive contact.

" No employee will be denied or receive employment opportunities and/or benefits because of sexual relationships of co-workers and/or managerial personnel. In addition, no one **shall** imply or threaten that an applicant's or employee's "cooperation" of a sexual nature (or refusal thereof) will have an effect on the individual's employment, assignment, compensation, advancement, career development or any other condition of employment.

" By law, managers are responsible for acts of sexual harassment in the workplace where they know or should know of the conduct.

" The Internal Revenue Service will "take immediate and appropriate action" for acts of sexual harassment. **Such actions could include suspension without pay and/or removal.**

" Any questions regarding either this policy or a specific situation should be addressed to your local EEO Officer, EEO Counselor, appropriate supervisor or chief.

ISSUANCE 6 -- Guidance concerning restrictions on political activity of Federal employees.

ISSUANCE 7 - A guide for determining appropriate penalties in administrative disciplinary actions which is intended to promote and highlight the possible consequences of misconduct.

IRM Exhibit 0751-6 Guide for Penalty Determinations

To enhance the consistent treatment of employees in the disciplinary process and to emphasize to employees what the consequences of misconduct will be, this Guide presents various types of misconduct and a penalty or range of penalties that would normally be expected to correct a first offense.

This Guide is not intended to be an exhaustive listing of all offenses. In the absence of more specific guidance, item number 27 may be utilized for penalty determinations in matters not otherwise covered. "Key penalty factors" are indicated for several offenses, especially those with a broad range of actions. These are factors most likely to be significant in determining a penalty for those offenses. **However, in deciding on a corrective action, all relevant factors, including those listed in IRM 0752.43 (12)(4)(c), i.e., the "Douglas" factors, and the supplemental guidance in IRM 0751.16 dealing with the accountability of various positions, are to be considered. In addition, with respect to bargaining unit employees, relevant provisions of collective bargaining agreements, including articles on Disciplinary Actions and Adverse Actions, continue to apply.**

The Guide is intended to assist managers in determining appropriate discipline and does not require that specific discipline be imposed in response to a particular incidence of misconduct. The listing of penalties or ranges of penalties is not intended to imply that a greater or lesser penalty is inappropriate if, in the assessment of management, predominant aggravating or mitigating circumstances are present which require a greater or lesser penalty.

- A corrective action which is below the range indicated could be appropriate for minor or technical violations, or cases in which there are compelling mitigating factors.
- A corrective action which is above the range could be appropriate for particularly egregious misconduct, or cases in which there are significant aggravating factors. Even for offenses where removal is not listed, removal for a first offense is not precluded.
- Multiple offenses or offenses which violate more than one law, rule, regulation or practice, normally will be grounds for more severe action than indicated for a single offense.
- Repeated offenses, whether or not they are of the same kind or directly related, normally will be grounds for more severe action than indicated, including removal.

The guide does **not** apply to employees serving a probationary or trial period. Failure to demonstrate fitness for continued employment will result in a termination during the probationary or trial period (see IRM 0315.1).

Demotions may be effected when appropriate, e.g., in lieu of removal, when the offense would not reasonably impair successful performance in another position (if available).

1. FIGHTING, PHYSICAL ASSAULTS, AND THREATS

- | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|
| a. Hitting, pushing or other physical acts against another in which serious injury did not occur; weapons were not used; and the employee was provoked. | Reprimand--Suspension |
| b. Hitting, pushing or other physical acts against another in which any one of the following factors was present: serious injury occurred; weapons were used; or the employee was not provoked. | Removal |
| c. Threatening another employee with physical harm. <i>[Key penalty factors: impact on person threatened, provocation, severity of threat, effect on work]</i> | Reprimand--Removal |

2. GOVERNMENT VEHICLE OFFENSES

- | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|
| a. willfully using or authorizing the use of a government owned or leased vehicle for other than official purposes. (31 USC 1349) | 30-day susp.--Removal |
| b. carrying unauthorized passenger(s) in a government vehicle; non-willful misuse of a government vehicle; driving a government vehicle unsafely or while under the influence of drugs or alcohol. <i>[Key penalty factors: cost or</i> | Reprimand--Removal |

potential cost to government; liability or possible exposure to liability of the govt.]

3. ATTENDANCE-RELATED OFFENSES

a. Absence without leave (generally for a period of one hour or more, or for repeated brief periods of tardiness); misuse of time (failure to observe duty hours or conducting personal business during duty hours for short periods of time). Admonishment--Reprimand

b. Repeated AWOL or unauthorized absence for one or more days; extended instances of misuse of time. Reprimand--Removal

[For 3a and 3b, key penalty factors: length and frequency of absences; suspensions or removal may be appropriate for frequent or extended absences (especially if progressive discipline has not corrected the problem), or for a prolonged absence.]

c. Failure to follow established leave procedures which is **not** considered insubordination. Admonishment--Reprimand

4. FAILURE TO PROPERLY AND TIMELY FILE AND PAY FEDERAL, STATE, OR LOCAL TAXES

a. Minor or technical violations occurring in spite of the exercise of ordinary business care and prudence in filing or paying, e.g. No Action --Counseling

--minor underreporting of interest or dividends caused by an understandable misinterpretation of tax laws or confusion with regard to reporting requirements; or underreporting of minor amounts involving a one time distribution of other income that was inadvertently omitted;

--minor tax delinquency cases, such as math errors, caused by simple inattention, which were promptly rectified.

b. Cases indicating an oversight on the part of an employee in meeting his or her tax obligations, e.g., Counseling--Admonishment

--underreporting of interest or dividends with some of the following elements: less than \$500 unreported, less than 10% of total interest/dividend income unreported, distribution of accounts caused confusion;

--underreporting of other income with some of the following elements: less than \$500 unreported, caused by oversight, etc.

--tax delinquency cases involving late filing or late payment of less than eight weeks caused by oversight, reliance on others, inability to pay, etc.

c. Cases indicating neglect on the part of an employee in meeting his or her tax obligations, e.g., Admonishment--Suspension

--underreporting of interest or dividends with some of the following elements: \$500 to \$2000 unreported, 10% to 50% of total interest/dividend income unreported, more than one year involved, no acceptable excuse;

--underreporting of other income with some of the following elements: \$500 to \$2000 of gross income unreported, attributed to negligence or carelessness;

--unsubstantiated or overstated deductions or exemptions attributed to negligence or carelessness;

--tax delinquency cases involving more than one instance of late filing or late payment, or late filing or late payment after repeated notices or after more than eight weeks where there is no acceptable explanation.

d. Cases indicating disregard of responsibilities, indifference to tax laws, or intent, e.g., Suspension--Removal

--underreporting of interest or dividends with some of the following elements:
more than \$2000 in unreported income, more than 50% of total
interest/dividend income unreported, more than one year involved,
no acceptable excuse;

--underreporting of other income with some of the following elements: more than
\$2000 in gross income unreported, no acceptable excuse;

--unsubstantiated or overstated deductions or exemptions which, due to
the knowledge of the employee, the large amounts of money or numbers
of infractions, or repetition of the misconduct, is not attributed
to negligence or carelessness;

--tax delinquency cases involving failure to file or pay resulting in the
Service taking enforcement action, more than one year involved.

*[For 4a, 4b, 4c and 4d, more severe actions should be considered when
the position of the employee is directly related to tax administration,
especially when the employee is responsible for enforcing the specific tax
provisions violated by the employee.]*

5. SUBSTANCE ABUSE

- | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|
| a. Unauthorized use of alcohol on government premises or in a duty status. | Reprimand--Suspension |
| b. Unauthorized possession or use of a drug or controlled substance off
government premises and off-duty (where there is a connection between
the conduct and the efficiency of the federal service). | Reprimand--Removal |
| c. Unauthorized possession or use of a drug or controlled
substance on government premises or in a duty status. | 14-day Susp.--Removal |
| d. Reporting to or being on duty while under the influence of
alcohol or a drug or controlled substance. | Suspension--Removal |
| e. Sale or distribution of a drug or controlled substance. | Removal |
| f. Failure to report for drug testing, refusal to take a drug test, or tampering
with a specimen when required to take a drug test under the IRS Drug-Free Program. | Removal |

*[Actions involving abuse of alcohol, drugs or controlled substances must take
into account the requirements of applicable drug and alcohol abuse programs,
statutes and regulations.]*

6. FLAGRANT MISCONDUCT

Removal

Serious off-duty misconduct in which there is a connection between the
misconduct and the efficiency of the federal service, such as offenses
involving the use of deadly force, egregious sexual misconduct,
and criminal misconduct demonstrating professional or moral turpitude.

7. ACCEPTANCE OF A BRIBE

Removal

8. CONFLICTS OF INTEREST

Engaging in actions or activities which involve a conflict of interest or the
appearance of a conflict of interest with the performance of duties. An
employee is involved in a conflict of interest when a private interest,
usually of an economic nature, conflicts or appears to conflict with public
duties and responsibilities. These include but are not limited to:

-- the performance of duties when personal circumstances, interests, or
relationships make it possible for others to question an employee's
impartiality, such as involvement in an official matter when an employee
has a financial or personal interest;

-- solicitation or acceptance of a gift, gratuity, or other thing of monetary value from someone in the performance of official duties or from a subordinate, except as authorized by law, regulation, or agency policy; and

-- purchasing or attempting to purchase property under the direction or incident to the functions of the Service.

a. When the employee's impartiality was not affected. Reprimand--Suspension

b. When the employee's impartiality was affected or a significant benefit was received or sought. Suspension--Removal

9. OUTSIDE EMPLOYMENT VIOLATIONS

a. Failure to request approval for outside employment that would be approvable. Admonishment--Reprimand

b. Engaging in prohibited outside employment. *[Key penalty factors: extent and type of activity, impact of the activity on the employee and the Service]* Reprimand--Removal

10. PROBLEMS WITH FINANCIAL AFFAIRS

a. Failure to manage private financial affairs in which agency operations or reputation are affected. Admonishment--Reprimand

b. Misuse of or failure to properly make payments on government Diners Club or American Express card. Reprimand--Suspension

11. ENGAGING IN ILLEGAL POLITICAL ACTIVITY

30-day Susp min--Removal
(5 USC 7326)

12. GAMBLING

a. Gambling while on duty or on government premises. Admonishment--Reprimand

b. Promotion of gambling on government premises. Reprimand---Removal

[Key penalty factors for 12a and 12b: type and extent of activity, impact on performance of duty, notoriety.]

13. FAILURE TO REPORT VIOLATIONS OF LAW OR OTHER MISCONDUCT (INCLUDING BRIBERY ATTEMPTS)

Reprimand--Suspension

14. FAILURE TO RESPOND TO QUESTIONS OR COOPERATE IN AN INVESTIGATION CONCERNING A MATTER OF OFFICIAL INTEREST

Suspension--Removal

15. DISRUPTION OF WORK

Engaging in actions which disrupt the workplace or cause dissension and/or discord among employees, including use of language or gestures which are abusive or offensive to other employees.

a. Where significant interruption in the work did not result **and** there was no significant taxpayer (public) involvement or awareness. Admonishment--Reprimand

b. Where significant interruption in the work resulted **or** there was significant taxpayer (public) involvement or awareness. Reprimand--Suspension0

16. THEFT, MAKING FALSE CLAIMS, AND UNAUTHORIZED POSSESSION OF PROPERTY

a. Stealing government property, or other on-the-job thefts, whether actual or attempted, or obtaining or accepting money or items of value to which

Suspension

not entitled, involving funds or items valued at less than \$50 **and** items or funds not entrusted to the employee in the performance of duty.

b. Unauthorized possession of government property or the property of another employee; actual or attempted theft or obtaining or accepting unentitled money or items of value which do not directly involve the federal government but where the offense adversely affects the efficiency of the federal service (e.g., welfare fraud or unemployment fraud).

Suspension--Removal

c. Stealing government property, or other on-the-job thefts, whether actual or attempted, or obtaining or accepting money or items of value to which not entitled, involving funds or items valued at more than \$50 **or** items or funds entrusted to the employee in the performance of duty.

Removal

17. DISCOURTEOUS CONDUCT

Reprimand--Suspension

Rude, discourteous, or abusive treatment of a taxpayer.

18. NEGLIGENCE OR CARELESS PERFORMANCE OF DUTY

Reprimand--Removal

Negligence or carelessness in the performance of duty (including failure to protect a statute), or violation of work or safety rules. *[Key penalty factors: costs to the government, extent of actual or potential loss, damage, or injury.]*

19. IMPROPER DISCLOSURES

Reprimand--Removal

Unauthorized disclosure of returns or return information, and other protected information, including information protected by the Privacy Act. *[Key penalty factors: extent of and type of information disclosed, whether or not for personal gain, whether or not criminal charges are brought.]*

20. LOSS OF DOCUMENTS AND SECURITY VIOLATIONS

Reprimand-- Removal

Loss or destruction of documents or records, or violation of security rules and practices. *[Key penalty factors: significance of and impact on agency of documents lost, whether violation was deliberate or caused by negligence or carelessness.]*

21. FAILURE TO FOLLOW INSTRUCTIONS

Reprimand--Removal

Failure to follow supervisory or other instructions or requirements, and other acts of insubordination. *[Key penalty factors: work-related or other consequences, reasons for failure to comply.]*

22. MISUSE OF GOVERNMENT PROPERTY

Reprimand--Removal

Misuse of government property or credit cards, including computers and other equipment or supplies. *[Key penalty factors: actual or potential costs to the government. NOTE: Item #2, Government Vehicle Offenses, covers vehicle misuse.]*

23. MISUSE OF POSITION

Reprimand--Removal

Misusing one's public office or authority. Examples include but are not limited to:

-- using one's position, authority, or credentials to further a private interest;

-- using nonpublic information to further a private interest;

-- advocating the employment or promotion of a relative, in violation of Title 5 Code of Federal Regulations part 310, and;

-- utilizing a subordinate to perform activities other than those authorized by law or required in the performance of official duties.

[Key penalty factors: whether and extent to which agency or government was brought into disrepute, whether for and extent of personal gain.]

24. FALSE OR MISLEADING STATEMENTS

Reprimand--Removal

Making intentionally false or misleading verbal or written statements in matters of official interest, e.g., application or investigatory forms, vouchers, leave requests, and work records. *[Key penalty factors: whether for and extent of personal gain.]*

25. DISCRIMINATORY CONDUCT AND PROHIBITED PERSONNEL PRACTICES

Reprimand--Removal

Engaging in discriminatory conduct, including sexual harassment; taking reprisal for valid disclosures of misconduct by other employees or for the exercise of employee rights; or engaging in other prohibited personnel practices. *[Key penalty factors: extent to which employee rights were violated. Note: if the violation is by a manager, the penalty will normally include removal from managerial position.]*

26. COMPUTER SECURITY AND TAXPAYER PRIVACY VIOLATIONS

a. Unauthorized updating or causing an unauthorized updating of account information.

14-day Susp.--Removal

b. Unauthorized accessing or causing an unauthorized accessing of one's own account information.

Admonishment--Reprimand

c. Unauthorized accessing or causing an unauthorized accessing of another's account information.

Reprimand--Removal

[Key penalty factors for 26b and 26c: number of accesses, sensitivity of information, reasons for accessing.]

27. OTHER OFFENSES -- GENERAL

a. Offenses having a substantial adverse impact on the employee's ability to perform and the accomplishment of the mission of the agency because of the seriousness of the misconduct, the loss of trust or confidence in the ability of the employee to perform duties successfully, and/or significant actual or potential impact on the agency.

14-day Susp.--Removal

b. Offenses having a moderate impact on the employee's ability to perform and the accomplishment of the mission of the agency.

Reprimand--Suspension

c. Offenses having a minor impact on the employee's ability to perform and the accomplishment of the mission of the agency.

Admonishment--Reprimand

[Key penalty factors for 27a, 27b, and 27c: nature and seriousness of offense, relationship to employee's duties, position of employee, and notoriety.]

**DEPARTMENT OF THE TREASURY, MINIMUM STANDARDS OF CONDUCT
31 CFR Part O**

Subpart A -- General provisions

▸ 0.735-1 Purpose.

This part describes the Standards of Conduct required of all Department of the Treasury employees. The regulations in this part implement the Office of Personnel Management regulations (5 CFR 735) in accordance with Executive Order 11222, as amended. The Standards of Conduct in this part are not to be considered all inclusive and may be supplemented by the Department and bureaus to meet specific needs. The absence of a specific published standard of conduct covering an act tending to discredit an employee or the Department does not mean that such an act is condoned, is permissible, or would not call for and result in corrective or disciplinary action.

▸ 0.735-2 Scope.

This part covers the following subject areas:

- (a) Subpart A of this part sets the general policy and definitions to be applied in interpreting the Department's Minimum Standards of Conduct and allocates responsibility in implementing these standards;
- (b) Subpart B of this part . . . defines rules of conduct and procedures for all regular employees;
- . . .
- (e) Subpart E of this part applies to special Government employees and advisers;
- (f) Subpart F of this part sets forth additional rules and guidelines applicable to employees stationed in foreign countries.

▸ 0.735-3 Policy.

- (a) Executive Order 11222 of May 8, 1965, as amended (18 USC 201 note), states the basic philosophy of conduct for those who carry out the public business:

Where government is based on the consent of the governed, every citizen is entitled to have complete confidence in the integrity of their government. Each individual officer, employee, or adviser of government must help to earn and must honor that trust by his (or her) own integrity and conduct in all official actions.

- (b) Personnel of the Department of the Treasury are expected to adhere to the above stated principles and to standards of behavior that will reflect credit on the Government. The Department's position is that of having confidence in its employees and of taking a positive and reasonable approach to the matter of maintaining the high Standards of Conduct necessary in the transaction of Treasury activities. Those few employees who violate the laws or rules or regulations on conduct in this part will be disciplined in accordance with the gravity of the offenses committed.
- (c) Disciplinary action may be in addition to any penalty prescribed by law. If disciplinary or other remedial action is necessary, it will ne taken only after consideration of the explanation of the employee and will be effected in accordance with applicable laws and regulations. Remedial action may include, but is not limited to:
 - (1) Changes in assigned duties.
 - (2) Disqualification for a particular assignment.
 - (3) Divestment by the employee of his or her conflicting interest.
 - (4) Disciplinary action.

▸ 0735-4 Definitions.

In this part: (a) "Regular employee" or "employee" means an officer or employee of the Department of the Treasury, but does not include a special Government employee.

(b) "Special Government employee" means an officer or employee of the Department of the Treasury, or an employee detailed from another agency to the Department, who is retained, designated, appointed, employed, or detailed to perform, with or without compensation, for not to exceed 130 days during any period of 365 consecutive days, temporary duties either on a full-time or intermittent basis.

(c) "Adviser" means a person who provides advice as a representative of an outside group and not as an employee or special Government employee.

(d) "Person" means an individual, a corporation, a company, an association, a firm, a partnership, a society, a joint stock company, or any other organization or institution.

(e) "Bureau" means for purposes of these regulations the Internal Revenue Service, Office of the Comptroller of the Currency, Bureau of Alcohol, Tobacco and Firearms, U.S. Customs Service, U.S. Secret Service, Federal Law Enforcement Training Center, Financial Management Service, Bureau of the Public Debt, U.S. Savings Bond Division, United States Mint, Bureau of Engraving and Printing, Departmental Office and the Legal Division.

▸ 0735-5 Assignment of responsibilities.

The assignment of responsibilities to carry out the provisions of this part is described below in ' 0.735-6--
' 0.735-12.

▪ **0735-6 Department.**

The Department's responsibilities are to:

- (a) Issue policy and basic Standards of Conduct applicable to all Treasury employees,
- (b) Periodically review the basic standards issued and to review initially and periodically those additional standards issued by the bureaus,
- (c) Set requirements to ensure that supervisors and employees are aware of the Standards of Conduct, of their responsibilities in maintaining

ATTACHMENT

ACKNOWLEDGEMENT OF RECEIPT

I have received a copy of Document , Interim Handbook of Employee Conduct and Ethical Behavior, which contains Interim Internal Revenue Service Rules of Conduct and other documents which contain laws, regulations, and policies applicable to the conduct of IRS employees. I am aware that it is my obligation to familiarize myself with its contents, abide by rules contained therein, and refer questions concerning the interpretation or application of the rules to my immediate supervisor.

Employee's Name (Please Print)

Signature _____
Date