McGUIREWOODS Relationships That Drive Results] _		
Relationships That Drive Results		4		
Government Ethics Rules				
How Organizations Can Comply				
October 16, 2012		_		
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	ver agirmikaa	<u> </u>		
Logic Game		7		
		-		
A. Ethical behavior		-		
B. Rule-abiding behavior		-		
If A then B? Not all A is B.		-		
Not all B is A.		-		
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Ethical	Ethical			
	Rule-abiding		 	
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Lesson from Logic Game	
Lesson: The Rules are Not Intuitive	
- To abide by the rules, it is not enough to be ethical	
- You cannot rely on your usual "moral sense"	
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Real Life Example – the rules are not intuitive	
To: Davidson, C. Simon Subject: Roll Call - Ethics question	
Mr. Davidson:	
I am a Chief of Staff for a House Member of Congress. My son, who is a second grader has been invited to a birthday party for a classmate. The child	
who's birthday it is father is a registered lobbyist. The party is at Ultrazone (a laser tag place) and they will have pizza, cake and ice cream. The laser tag costs	
about \$30 per child. Given that the new gift rules apply to family members - can my child attend?	
Million Ward, Mark 1971	
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Lesson: The rules are not intuitive:	
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Know the rules	
— the rules require deliberate attention	
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	Develop an ethics radar		
	McGrand Mark 127 (*		
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	Three Areas to Consider		
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	1) Congressional Gift Rules		
	2) Executive Branch Gift Rules		
	3) State Gift Rules		
	Focus today: Congressional Gift Rules		
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	The Four Obligations of The Honest Leadership and Open Government		
	Act:		
	1) Certify you have read the gift rules		
	 Certify you are familiar with the gift rules Certify you have complied with the gift rules 		
	4) Comply with the gift rules		
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Certify that you have read and are familiar with the gift rules:	
Registrant "has read and is familiar with those provisions of the Standing	
Rules of the Senate and the Rules of the House of Representatives relating to	
the provision of gifts and travel."	
2 U.S.C. § 1604(d)(1)(G)(i)	
2 U.S.C. y 1804(d)(1)(G)(1)	
McGoireWoods LEP 18	
Coffee 1 P. J. and 196 1	
Certify that you have <i>complied</i> with the gift rules:	
Registrant "has not provided, requested, or directed a gift, including travel, to	
a Member of Congress or an officer or employee of either House of	
Congress with knowledge that receipt of the gift would violate rule XXXV of	
the Standing Rules of Senate or rule XXV of the Rules of the House of	
Representatives."	-
2 U.S.C. § 1604(d)(1)(G)(ii)	
MoGrierWoods LEP II	
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To do not although to complete the state of	
Independent obligation to comply with the	
gift rules:	
Registrants "may not make a gift or provide travel to a covered	
legislative branch official if the person has knowledge that the gift or	
travel may not be accepted by that covered legislative branch official	
under the Rules of the House of Representatives or the Standing Rules	
of the Senate (as the case may be)."	
2 USCS § 1613	
McGrainWoods LLP 12	

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Maximum Penalties:			
Civil: \$200,000 for knowing violations			
Criminal: 5 years in jail for knowing and		•	
corrupt violations			
2 U.S.C. § 1606			
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	MaGuireWoods LLP 13		
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So, what is the gift rule?			
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	MaGnireWoods LLP 14		
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The Gift Rule			
A Marshar officer and allower and benefit the country of from			
A Member, officer, or employee may not knowingly accept a gift from a registered lobbyist or a private entity that retains or employs a registered			
lobbyist unless it meets an exception.			
Senate Rule XXXV, Clause 1. (a)(2)(B); House Rule XXV, Clause 5 (a)(1)(A)(ii)		•	
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TI C'G D I (, , I)		
The Gift Rule (restated)	•	
No gifts.	-	
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MiGravWeals LIP 16		
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 Unlike the bribery statute, gift rule violations can occur even when the donor 	•	
expects nothing in return.		
Ask four questions:	.	
1) Is it a <i>Giffe</i> :		
2) Is it from a Prohibited Source ?		
3) Is it to a <i>Prohibited Recipient</i> :	•	
4) Does it meet an <i>Exception</i> ?		
4) Bus it meet an Exception .		
McGeeWeek LEP 17		
	J .	
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First Question: Is it a Gift ?		
Any gratuity, favor, discount, entertainment, hospitality, loan,		
forbearance, or other item having monetary value whether provided	•	
in kind, by purchase of a ticket, payment in advance, or reimbursement		
after the expense has been incurred.		
Senate Rule Rule XXXV, Clause 1. (b)(1); House Rule XXV, Clause 5(a)(2)(A)		
McGairWook LLP sl		

First Question: Is It a Gill? A brate entire gase to a dependence store to guarance a ring for his cork. The efficial fields on age to be the best or concerned short the pice. Storage Base to the entire a seldinar of short and beare and finance of the store of t		
A Second delire gave to a department once to problem a ring for the vefic. The efficial finals a ring to the little beta is encounted about the price. Second give the collegeous office the action of military by discount off the sale price. The static accepts. He at the static manner of the sale of the sale of the sale of the sale price. Second Question: Is it from a Problemed Source? 3 SOURCE Question: When is a gift from a houseast Second Question: Is it from a Problemed Source? A company copy that gave to disner with an employee of a federal agency. The copy clock offen to pick up the ES disner tab. In the gift 'from' the company'		
A Second delire gase to a department over to problem a ring for the sele. The stillad finals a ring to the little beta is enterment about the price. Senting this, the collegence of the action of additional by discount of the sale price. Second Question: Is it from a Problemed Source? **Second Question: When is a gift from a hostoner? Second Question: Is it from a Problemed Source? **A company copy dest goes to disner with an employer of a factor alogory. The copy clerk offen to pick up the ES disner tob. Is the gift 'from' the company!		
The efficial finals a ring that he like but accorded doubt the price. Sessing this, the subsposes for the suffers and subsposes of the subsposes. The suffer secretical a gold? Second Question: Is in from a Problitical Source? \$500.000 Question: When in a gift from a bottoner? Second Question: Is in from a Problitical Source? A company cup: that game to disnow with no complance of a failed agency. The copy clock offers to pick up the 225 dancer with. Is this gift "from" the company?		
Second Question: Is it from a Prohibited Source? \$200,000 Question: When is a gift from a business? Second Question: Is it from a Prohibited Source? A company capy clock goes to discorr with an employee of a fadoral agency. The capy clock offers to girk up the 155 climar with. Is this gift from the company?	The official finds a ring that he likes but is concerned about the price.	
Second Question: Is it from a Prohibited Source? Second Question: When is a gift from a business? Second Question: Is it from a Prohibited Source? A company copy diek gase to discore with an employee of a fadaral agency. The copy diek offers to pick up the \$25 disner sith. Is this gift "from" the company?		
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clerk offers to pick up the \$25 dinner tab. Is this gift "from" the company?		
M_{clust} Weak $M^2/2$	A company copy clerk goes to dinner with an employee of a federal agency. The copy clerk offers to pick up the \$25 dinner tab. Is this gift "from" the company?	
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Third Question: Is it to a Prohibited Recipient ?				
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Direct Recipients				
Members and staff of the House and Senate				
Consultants who are under contract for the				
House				
	McGuire Woods LLP 22			
Indirect Recipients				
		•		
Family members and any other individual if:				
		-		
(1) Member or staff person has knowledge of gift; and				
(2) Member or staff has reason to believe the gift was				
given because of Congressional position				
Senate XXXV, Clause 1. (b)(2)(A); House Rule XXV, Clause 5 (a)(2)(B)(i)				
	McGuire Woods LLP 29			
Fourth Question: Does it meet an Exception?	1			
General Guidelines Regarding Exceptions:				
Gift Rules are <u>not</u> like the tax code				
Gift Rules are now like the tax code Gift Rules require compliance with spirit as well				
as letter of rules				
Aim for compliance, not for loopholes	1			
	McGuireWoods LLP 24			

What are the risks, and how can I comply?	
MGmWmhIII] 8	
Two purposes of Compliance Tools:	
1) Minimize the risk of violations	
2) Demonstrate compliance efforts	
Million Winds 137 N	
To maximize compliance, assume that you will face a government investigation.	
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Return to the Four HLOGA Obligations:	
 Certify you have read the gift rules Certify you are familiar with the gift rules 	-
 3) Certify you have complied with the gift rules 4) Comply with the gift rules 	
Michael (127) of	
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 Certify your organization has read the rules: 	
LD 203 Certification:	
"I certify that I have read and am familiar with the provisions of the Standing Rules of the Senate and the Standing rules of the House of Representatives relating to the provision of gifts and travel. I have not provided, requested or directed a gift with knowledge that receipt of the gift would violate" the rules.	
MelineWeak UP 19	
 Certify your organization has read the rules: Investigator's questions: 	
 Before certifying, what did you do to confirm it was true? What did you mean that your organization read the rules? 	
Who at your organization read the rules? How do you know?	
McianWash 117 9	

1) Certify your organization has read the rules: • Identify employees who should read the rules	
Provide employees with <u>updated</u> copies of the rules and instruct them to read the rules	
Obtain certifications from the employees that they have read the rules	
Michel Wash 137 [9]	
1) Certify your organization has read the rules:	
Identifying which employees should read the rules: • E-mail from Senate Secretary's office: "The individual who signs obviously must	
read - but it is also obvious that the individuals within the organization who deal with all aspects of the Federal government need to do so also." • House Clerk's office: at a minimum, all employees in Government Affairs	
department	
Militar Wink LT 21	
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2) Certify your organization is familiar with the rules: Investigator's questions:	
What did you mean that your organization is familiar with the rules? Who at your company is familiar with the rules?	
How do you know? Before certifying, what did you do to confirm it was true?	
Michaelfuck 117 [3]	

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2) Certify your organization is familiar with the rules	
Identify employees to be familiar with the rules	
Obtain <u>periodic</u> certifications from employees	
Training and Guidance	
McGrareWoods LEP 34	
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3) Certify compliance and 4) Comply with the rules	
Examples of risks:	
 Inadvertent gifts from non-lobbyist employees 	
Sales and services to Congressional employees	
T&E Reimbursements	
McGrawWoods 11P \mid 30	
3) Certify compliance and 4) Comply with the rules	-
P:1 r 1	
Risk: Inadvertent gifts	
Tool: Have a Policy	
Implement a formal internal policy	
Communicate the policy to employees	
Obtain certifications of compliance with policy	
Audit compliance	-
McGrieWoods UP 56	

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		_		
3) Certify compliance and 4) Comply with the rules		-		
Risk: T&E Reimbursements				
Tools:		-		
 Certifications when seeking reimbursements 				
Audit reimbursements		-		
Example:				
I certify that no Congressional employee has benefited from any of the expenses for which I seek reimbursement.		_		
		_		
	MaGuireWoods LLP 50			
		-		
		_		
3) Certify compliance and 4) Comply with the rules		-		
 Certify compliance and 4) Comply with the rules 		-		
3) Certify compliance and 4) Comply with the rules Risk: Sales to Congressional Employees		- - -		
Risk: Sales to Congressional Employees		- -		
		- - -		
Risk: Sales to Congressional Employees Tools:		- - -		
Risk: Sales to Congressional Employees Tools: • Create, communicate, and follow a sales policy		- - -		
Risk: Sales to Congressional Employees Tools: • Create, communicate, and follow a sales policy • Train and educate your sales force		- - -		
Risk: Sales to Congressional Employees Tools: Create, communicate, and follow a sales policy Train and educate your sales force Provide standard discount for government employees?		- - -		
Risk: Sales to Congressional Employees Tools: Create, communicate, and follow a sales policy Train and educate your sales force Provide standard discount for government employees?		- - - -		
Risk: Sales to Congressional Employees Tools: Create, communicate, and follow a sales policy Train and educate your sales force Provide standard discount for government employees?	Moles-Week UP 9	- - - -		