EXHIBIT 1
Training for Members on Ethics Laws, Rules, and Standards of Conduct

Presented by the Committee on Ethics
U.S. House of Representatives

117th Congress
The Ethics Committee and its Functions

- Constitutional Authority: Article I, Section 5 of the U.S. Constitution: “Each House may . . . Punish its Members for disorderly Behavior . . .”
- 10-Members of Congress on a bipartisan committee
- Non-partisan staff:
  - Advise and provide training and guidance on ethics laws, rules, and standards of conduct
    - Seeking advice insulates you from an investigation
    - We keep a record of all inquiries
  - Review Financial Disclosure filings (staff are available to perform prescreens)
  - Investigate possible violations by Members, officers, and employees
  - You can contact the Committee by phone, e-mail, mail, or by walking in person
Official Resources
Official Resources

- Official resource is anything paid for with an appropriation (including your staff)
- No personal use of official resources (except de minimus)
- No use for campaign activity unless expressly permitted

- Official expenses or activities may only be paid from:
  - Appropriated funds (MRA);
  - Member's personal funds; or
  - Member's campaign funds (with certain limits)
- No private donations, funds, or in-kind goods or services are allowed in support of official House activities or expenses.
Official Resources: Maintain A Bright Line

Your Official Staff Cannot——

☒ Contribute to your campaign
☒ Do campaign work on official time or in official buildings
☒ Work for free (exceptions for interns, etc.)
☒ Use their personal funds for official purposes
☒ Give you gifts (including running personal errands)

☒ Be required or pressured to volunteer for anything, including your campaign
☒ Use official resources or position for their own personal benefit, or yours
☒ Take official actions that would create a conflict for you
☒ Represent others (unofficially) to the federal government
Official Resources and Events

An event can only ever be an official congressional event or an outside group’s event

- **Cannot** co-sponsor an official congressional event with any outside group, including a non-profit
- **No** private subsidy for official congressional events
  - **But:** assistance from domestic governmental entities, including public universities is permitted
  - No use of official resources for an event sponsored by an outside group
    - **But:** your name may sometimes be used in connection with an outside group’s event
  - **No** solicitation of an outside group to hold an event for you
General Casework

- Members have *broad* discretion in deciding whether and how to assist constituents
- *No* special treatment or "access" for supporters, contributors, or friends

- Avoid *ex parte* communications
- Communications between Members and constituents are considered *confidential*
Sexual Harassment and Employment Discrimination

- House Rule 23, clause 9 prohibits discharging or refusing to hire an individual, or otherwise discriminating against an individual on the basis of race, color, religion, sex (including marital or parental status), sexual orientation, gender identity, disability, age, or national origin of such individual, including by committing an act of sexual harassment against such individual.

- House Rule 23, clause 18(a) prohibits Members from engaging in a sexual relationship with any employee of the House who works under the supervision of the Member, or who is an employee of a committee on which the Member, serves.

- House Rule 23, clause 18(b) prohibits Members from in unwelcome sexual advances or conduct towards another Member, Delegate, Resident Commissioner, officer, or employee of the House.
Gifts
Bribes and Illegal Gratuities

- You **may not** accept a gift that is offered in connection with an official action taken or asked to be taken
  
  - May be deemed a bribe or improper gratuity under federal criminal law (18 U.S.C. § 201)
  
  - Items of nominal value are allowed as thank you gifts (e.g., flowers, baked goods, or decorative items)
Gifts

- A gift is almost anything of value, including a discount, tickets to a game, a cup of coffee, a gift card
- The gift rule is written in the negative—cannot accept a gift unless an exception permits acceptance
  - More than 20 exceptions—far fewer exceptions for gifts from federal registered lobbyists or foreign agents
- Before you accept a gift, ask yourself:
  - Can I accept the gift?
  - Do I need prior approval from the Ethics Committee?
  - Do I need to disclose or report the gift (e.g., the Ethics Committee, Clerk, or an FD Statement, etc.)?
- Prior Ethics approval may be required, such as for gifts of personal friendship of more than $250
Gifts

- Gifts from relatives
  - Includes fiancés and in-laws
- Gifts from personal friends
  - Must meet certain criteria
- Gifts from other Members and staff
  - Gifts from employees up the chain only on specials occasions
- Gifts related to outside activities
  - May not be offered or enhanced due to House employment
- Gifts from federal, state, or local government
  - Includes public universities
Gifts from Foreign Governments

- Foreign Gifts and Decorations Act (FGDA) allows Members and staff to accept a gift of $415 or less from a foreign government.

- If the gift is worth more than $415, you must turn the gift over to the Clerk within 60 days for disposal and file a disclosure form with the Ethics Committee.

- With Committee permission, you may be able to retain the gift for official use.
Attendance at Events

"Free attendance" at certain types of events may be accepted under the rule:

- Charity Events
- Campaign or Political Events
- Receptions
- Widely Attended Events

Gift bags are permitted only if otherwise acceptable under the gift rule.
Widely Attended & Charity Events

**Widely Attended Events**
- Attendance connected to official duties
- Open to the public or at least 25 non-Hill attendees

**Charity Events**
- Sponsored by a 501(c)(3) non-profit
- May accept free attendance only from the sponsor
Receptions & Campaign Events

Receptions

- Food or refreshments of a nominal value
- Cannot constitute a meal

Campaign or Political Events

- Sponsored by a 527 organization
- Invitation must come directly from the 527
Solicitations

- General prohibition against most solicitations (5 U.S.C. § 7353)

- Permissible charitable solicitations
  - Must be in your personal capacity
  - On your own time
  - Not using official resources
  - No solicitations of lobbyists or foreign agents
  - No implied official endorsement
  - No direct personal benefit to soliciting individual
Privately-sponsored Travel

- *Each* traveler must obtain prior, written approval from the Ethics Committee

- Request must be submitted at least **30 days** before start date of the trip

  - There are significant restrictions on accepting travel expenses from private entities that *retain* or *employ* lobbyists or foreign
Pre-Approval Exceptions

Committee pre-approval not required for travel paid for using:

- House funds (MRA or committee funds)
- Federal campaign funds, provided your travel is reported to the FEC
- U.S. federal, state, or local government funds
  - Public (state) university funds
Travel from Foreign Government

Special rules and disclosure requirements for travel funded by foreign governments:

- MECEA (Mutual Educational and Cultural Exchange Act)
- FGDA (Foreign Gifts and Decorations Act)
  - Committee pre-approval not required for either
  - FGDA travel must be reported to Committee on special form within 30 days
Private Planes

- Significant restrictions on the use of campaign or personal funds to pay for flights on privately-owned aircraft

- Call the Ethics Committee before flying

- Prior Ethics approval may be required to accept a gift of private plane travel

- Disclosure may be required
Campaign Activity
Campaign Activity

- Same Rules apply to all Members and House staff.
- Rules apply in both election and non-election years.
- Rules generally apply to any campaign (Presidential, House, local, etc.).
- Rules apply to paid and volunteer campaign staff.
Exceptions for Certain Campaign-Related Activities

Common sense exceptions to the prohibition on use of official resources:

- scheduling
- handling press calls
- referrals to campaign office
- providing official materials
Official Use of Campaign Funds

- **General rule:** Campaign funds may be used for some expenses of a Member’s personal office or a committee on which the Member serves.

- **Permitted official uses:**

| ☑️ | Food at Member office events |
| ☑️ | Officially connected travel for Member or staff |
| ☑️ | Travel for guest speaker at Member office event |
| ☑️ | Cell phone or Blackberry |
| ☑️ | Car |
Impermissible Use of Campaign Funds

Some clearly prohibited personal expenses:

☑ Normal living expenses (food, clothing, shelter)
☑ Vacation expenses
☑ Tickets to shows and sporting events (unless part of a bona fide campaign event)
☑ Country club or health club dues

Members may never borrow from their campaign account
Conflict of Interest
General Principles

- Do not allow compensation to accrue to your personal benefit from improper use of House position. - *House Rule 23, clause 3*

- Do not accept benefits for you or your family under circumstances that appear to influence your governmental duties. - *Code of Ethics for Government Service ¶5*

- No “special favors” to anyone, based on personal, business, or political relationships. - *Code of Ethics for Government Service ¶5*

- Do not use official position or confidential information for personal gain. - *Code of Ethics for Government Service ¶8*

- Do not use official House resources for personal or campaign activities. - *31 U.S.C. §1301*
Personal Activity

Do Not Contract with Federal Government

No Lobbying or Representational Contacts
Do NOT represent an outside organization in a matter if the Federal government is a party or has an interest.
SPOUSE CANNOT lobby you or your staff if, spouse is a registered federal lobbyist. - House Rule 25, clause 7.

Do Not Use Material, Nonpublic Information
May constitute INSIDER TRADING.
SEC definition of “public” not obvious or clear.

Do NOT Participate in an IPO
Prohibitions on Outside Positions

Members *may not* serve as an officer or director of any:
- Public company, defined by the Securities and Exchange Act of 1934; or
- Company traded on a foreign market.
- There are NO exceptions to these restrictions.

Members *may not* serve as an officer or director of any:
- Entity that receives funding from a federal agency, jurisdiction of which falls within a committee on which a Member sits; or
- Entity that is regulated by a federal agency, jurisdiction of which falls within a committee on which a Member sits.
- There are several exceptions to these restrictions.
Earned Income and Other Restrictions

Members may not—

- **All Members** are limited in the amount of outside income they may earn (2021: $29,595)
- Permit a firm that provides *fiduciary services* to *use your name*
- Receive —
  - compensation for serving as an *officer or director* of any entity
  - Includes both for-profit and non-profit organizations
  - payment for performing services involving a *fiduciary relationship*
- Fiduciary Professions: *Legal, real estate, consulting and advising (including lobbying), insurance, medicine,* *financial services, and similar positions where you hold a position of trust*

*Note: There are special rules for Members who are also medical doctors*
Other Outside Activities

**Honoraria:** Members may not receive an honorarium (i.e., payment for a speech, article, or appearance), but may have up to $2,000 donated directly to a charity.

**Teaching:** Members may not teach for compensation unless they first get written permission from the Ethics Committee for each semester of teaching.

**Writing:** Members must receive prior Committee approval for any book contract. Members may not receive an advance on copyright royalties.
Official Activity

- **Voting in the House**
  - You **MUST** vote on each question put, **UNLESS** you have a direct
    - personal or pecuniary interest in the matter. - *House Rule 3, clause 1.*

- **Other House Actions**
  - You **MUST** use "added circumspection" on all other official actions (sponsoring a bill, advocating for or participating in House committee action, contacting an executive branch agency, etc...).
  - Possible Solutions include *recusal or referral to another Member office, committee with jurisdiction, or Senate office.*
  - BUT: **do NOT** advocate to that other office.
  - **REMEMBER:** Your staff acts on your behalf and you may be held liable for their actions.

- **Earmarks & Financial Interest Certification**
  - You **MUST** certify that neither you nor your spouse has a personal financial interest in a requested earmark or limited tax or tariff benefit. The Committee of jurisdiction over the bill determines if earmark or tariff benefit.

COE.OCEREQUEST.000263
Post Employment Restrictions

- Former Members may not communicate or appear before the House or Senate on behalf of third party seeking official action for a year

- Current Members and staff *may not* aid former Members and staff in violating the post-employment restrictions

- Members and senior staff must disclose negotiations with private entities

- Members and senior staff may be required to recuse from related official matters
Financial Disclosure
Financial Disclosure Statements

- Due date is May 15th
- You must have at least one employee in your personal office who files an FD. Must be either –
  - senior staff rate ($132,552) for 60 days or more, or
  - A Principal Assistant: An employee you select to file a financial disclosure (if no employee paid at senior staff rate)
- Committee staff are able to prescreen your FD prior to filing
- You may use your MRA to compensate someone to prepare your FD

COE.OCEREQUEST.000286
FD and PTR:
Whose Assets Must be Reported?

On both annual FD and PTR, report assets (and transactions in assets) owned wholly or in part by:
- You
- Your spouse, or
- Your dependent children
  - Under age 21, unmarried, & living with you (or in college) or
  - Claimed as dependent on your federal taxes
Call or Write Before Acting

Committee on Ethics
1015 Longworth HOB
Washington, DC 20515
(202) 225-7103 (phone)
(202) 225-7392 (fax)
website: ethics.house.gov

All communications are confidential
Good faith reliance on written Committee opinions protects you from sanctions under House rules

COE.OCEREQUEST.000268
EXHIBIT 2
Ethics Training for Members-Elect

Presented by the Staff of the Committee on Ethics
U.S. House of Representatives
What is the Ethics Committee and What Does it Do?

- Constitutional Authority: Article I, Section 5 of the U.S. Constitution: “Each House may . . . Punish its Members for disorderly Behavior . . .”
- 10-Members of Congress on a bipartisan committee
- Non-partisan staff:
  - Advise and provide training and guidance on ethics laws, rules, and standards of conduct
    - Seeking advice insulates you from an investigation
    - We keep a record of all inquiries
  - Review Financial Disclosure filings (staff are available to perform prescreens)
  - Investigate possible violations by Members, officers, and employees
  - You can contact the Committee by phone, e-mail, mail, or by walking in person
Important Benchmarks for New Members

- Members ARE subject to the federal bribery and illegal gratuity statutes BEFORE swearing in

- Members are subject to the House ethics rules and the STOCK ACT UPON swearing in

- Wind down outside business within 90 days

- Staff must complete ethics training within first 60 days

- Annual Financial Disclosure Statement due May 17th
OFFICIAL RESOURCES
Official Resources

- Official resource is anything paid for with an appropriation (including your staff)
- No personal use of official resources (except de minimus)
- No use for campaign activity unless expressly permitted

- Official expenses or activities may only be paid from:
  - Appropriated funds (MRA);
  - Member’s personal funds; or
  - Member’s campaign funds (with certain limits)
- No private donations, funds, or in-kind goods or services are allowed in support of official House activities or expenses.
Official Resources: Maintain A Bright Line

Your Official Staff Cannot—

- Contribute to your campaign
- Provide an outlay to your campaign
- Do campaign work on official time or in official buildings
- Work for free (exceptions for interns, etc.)
- Use their personal funds for official purposes
- Give you gifts (including running personal errands)
- Be required or pressured to volunteer for anything, including your campaign
- Use official resources or position for their own personal benefit, or yours
- Take official actions that would create a conflict for you
- Represent others (unofficially) to the federal government
Official Resources and Events

An event can only ever be an official congressional event or an outside group’s event

- **Cannot** co-sponsor an official congressional event with any outside group, including a non-profit
- **No** private subsidy for official congressional events
  - **But**: assistance from domestic governmental entities, including public universities is permitted
- No use of official resources for an event sponsored by an outside group
  - **But**: your name may sometimes be used in connection with an outside group’s event
- **No** solicitation of an outside group to hold an event for you
GIFTS
Bribes and Illegal Gratuities

Benchmark: Applies prior to swearing in

You **may not** accept a gift that is offered in connection with an official action taken or asked to be taken

- May be deemed a bribe or improper gratuity under federal criminal law (18 U.S.C. § 201)
- Items of nominal value are allowed as thank you gifts (*e.g.*, flowers, baked goods, or decorative items)
Gifts

- A gift is almost anything of value, including a discount, tickets to a game, a cup of coffee, a gift card
- The gift rule is written in the negative—cannot accept a gift unless an exception permits acceptance
  - More than 20 exceptions—far fewer exceptions for gifts from federal registered lobbyists or foreign agents
- Before you accept a gift, ask yourself:
  1. Can I accept the gift?
  2. Do I need prior approval from the Ethics Committee?
  3. Do I need to disclose or report the gift (e.g., the Ethics Committee, Clerk, or an FD Statement, etc.)?
- Prior Ethics approval may be required, such as for gifts of personal friendship of more than $250
Categories of Permissible Gifts

- Gifts from relatives
  - Includes fiancés and in-laws
- Gifts from personal friends
  - Must meet certain criteria
- Gifts from other Members and staff
  - Gifts from employees up the chain only on specials occasions
- Gifts related to outside activities
  - May not be offered or enhanced due to House employment
- Gifts from federal, state, or local government
  - Includes public universities
Gifts from Foreign Governments

- Foreign Gifts and Decorations Act (FGDA) allows Members and staff to accept a gift of $415 or less from a foreign government.

- If the gift is worth more than $415, you must turn the gift over to the Clerk within 60 days for disposal and file a disclosure form with the Ethics Committee.

- With Committee permission, you may be able to retain the gift for official use.
Solicitations

- General prohibition *against* most solicitations (5 U.S.C. § 7353)

- Permissible charitable solicitations
  - Must be in your personal capacity
  - On your own time
  - Not using official resources
  - No solicitations of lobbyists or foreign agents
  - No implied official endorsement
  - No direct personal benefit to soliciting individual
Privately-Sponsored Travel

- Each traveler must obtain **prior, written approval** from the House Ethics Committee

- Request must be submitted 30 days prior to the trip

- Travel Rules and Forms available on the Committee’s Web site

- Committee pre-approval **not** required for travel paid for using:
  - House funds (MRA or committee funds)
  - Federal, state, or local government funds (includes domestic public university funds)
  - Campaign funds
  - Foreign government funds (only as authorized by law)
  - Travel related to outside employment or activities
Foreign Government Travel

- Special rules and disclosure requirements for travel funded by foreign governments
- Statutes permitting:
  - Mutual Educational and Cultural Exchange Act (MECEA)
  - Foreign Gifts and Decorations Act (FGDA)

Contact Ethics before accepting any foreign government travel
Private Planes

- Significant restrictions on the use of campaign or personal funds to pay for flights on privately-owned aircraft

- Call the Ethics Committee before flying

- Prior Ethics approval may be required to accept a gift of private plane travel

- Disclosure may be required
CAMPAIGN ACTIVITY
Permissible Uses of Campaign Funds During Your Transition

- As a general rule, you may continue to use your campaign funds for *bona fide* expenses you incur in preparing to take office. (Always check with the FEC regarding proper use of campaign funds.)

- Such expenses may include those for
  - Transition staff
  - Transition supplies & equipment
  - Transition office space
  - Travel
  - Expenses incurred in moving to Washington, DC (both office and personal effects)
Campaign Rules Overview

Maintain a bright line between House office and campaign activity

Limited overlap exceptions:

1. Staff that handle the Member’s schedule may coordinate with campaign

2. Press team may answer incidental campaign questions during official interview, but should not initiate discussion of campaign issues

Call if ever in doubt
Official Use of Campaign Funds

General rule: Campaign funds may be used for some official expenses—however

House Rules specifically prohibit Members from using campaign funds for the following official expenses:

☒ Mail or other communications
☒ Compensation for services
☒ Office space
☒ Furniture
☒ Equipment & IT services
Improper Personal Use

Some clearly prohibited personal expenses:

☒ Normal living expenses (food, clothing, shelter)
☒ Vacation expenses
☒ Tickets to shows and sporting events (unless part of a bona fide campaign event)
☒ Country club or health club dues

Members may never borrow from their campaign account
OUTSIDE BUSINESS OR ACTIVITIES
Business Interests: Begin Wind-Down NOW

**Benchmark:** Within first 90 days

Start planning your transition now

- *May* need to
  - Change business name,
  - Change business structure, or
  - Sell or divest from a business
- Committee counsel available to discuss your particular situation and requirements
Prohibitions on Outside Positions

Members *may not* serve as an officer or director of any:
- Public company, defined by the Securities and Exchange Act of 1934; or
- Company traded on a foreign market.
- There are NO exceptions to these restrictions.

Members *may not* serve as an officer or director of any:
- Entity that receives funding from a federal agency, jurisdiction of which falls within a committee on which a Member sits; or
- Entity that is regulated by a federal agency, jurisdiction of which falls within a committee on which a Member sits.
- There are several exceptions to these restrictions.
Earned Income and Other Restrictions

- All Members are limited in the amount of outside income they may earn (2020: $28,845)
- Members may not—
  - Permit a firm that provides fiduciary services to use your name
  - Receive—
    - compensation for serving as an officer or director of any entity
      - Includes both for-profit and non-profit organizations
    - payment for performing services involving a fiduciary relationship
  - Fiduciary Professions: Legal, real estate, consulting and advising (including lobbying), insurance, medicine, *financial services, and similar positions where you hold a position of trust

*Note: There are special rules for Members who are also medical doctors*
Other Outside Activities

Honoraria: Members may not receive an honorarium (i.e., payment for a speech, article, or appearance), but may have up to $2,000 donated directly to a charity.

Teaching: Members may not teach for compensation unless they first get written permission from the Ethics Committee for each semester of teaching.

Writing: Members must receive prior Committee approval for any book contract. Members may not receive an advance on copyright royalties.
CONFLICTS OF INTEREST
General Principles

- Do not allow compensation to accrue to your personal benefit from improper use of House position. - *House Rule 23, clause 3*

- Do not accept benefits for you or your family under circumstances that appear to influence your governmental duties. - *Code of Ethics for Government Service ¶5*

- No "special favors" to anyone, based on personal, business, or political relationships. - *Code of Ethics for Government Service ¶5*

- Do not use official position or confidential information for personal gain. - *Code of Ethics for Government Service ¶8*

- Do not use official House resources for personal or campaign activities. - *31 U.S.C. §1301*
Official Activity

Voting in the House

• You **MUST** vote on each question put, **UNLESS** you have a direct personal or pecuniary interest in the matter. - *House Rule 3, clause 1.*

Other House Actions

• You **MUST** use "added circumspection" on all other official actions (sponsoring a bill, advocating for or participating in House committee action, contacting an executive branch agency, etc...).

• Possible Solutions include *recusal or referral to another Member office, committee with jurisdiction, or Senate office.*

  **BUT:** do **NOT** advocate to that other office.

• REMINDER: **Your staff acts on your behalf and you may be held liable for their actions.**

Earmarks & Financial Interest Certification

• You **MUST** certify that neither you nor your spouse has a personal financial interest in a requested earmark or limited tax or tariff benefit. The Committee of jurisdiction over the bill determines if earmark or tariff benefit.
Personal Activity

Do Not Contract with Federal Government


No Lobbying or Representational Contacts

• Do NOT represent an outside organization in a matter if the Federal government is a party or has an interest.
• Do NOT lobby or aid outside organizations in the lobbying of Congress or the Executive Branch. *18 U.S.C. §§ 203 & 205, House Rule 25, clause 6.*
• SPOUSE CANNOT lobby you or your staff if, spouse is a registered federal lobbyist. *House Rule 25, clause 7.*

Do Not Use Material, Nonpublic Information

• May constitute INSIDER TRADING.
• SEC definition of “public” not obvious or clear.

Do NOT Participate in an IPO

Benchmark: Members are subject to the STOCK ACT UPON swearing in
Post-Employment Restrictions

- Former Members may not communicate or appear before the House or Senate on behalf of third party seeking official action for a year

- Current Members and staff *may not* aid former Members and staff in violating the post-employment restrictions

- Members and employees paid at the post-employment rate must disclose negotiations with private entities

- Members and senior staff may be required to recuse from related official matters
FINANCIAL DISCLOSURE
Financial Disclosure Statements

- **Benchmark:** Must file each May 15, (May 17th in 2021)
- Additional reporting requirements for Member FD versus candidate FD:
  - Transactions
  - Liabilities on personal residence
  - Gifts & travel received *after* sworn in to Congress
- You must have at least one employee in your personal office who files an FD. Must be either -
  - senior staff rate ($131,239) for 60 days or more, or
  - A Principal Assistant: An employee you select to file a financial disclosure (if no employee paid at the post-employment rate)
- Committee staff are able to prescreen your FD prior to filing
- You may use your MRA to compensate someone to prepare your FD
Periodic Transaction Reports (PTRs)

Benchmark: Applies to transactions executed on or after your swearing-in date

- Requirement applies to Members and senior staff
- Reporting of securities transactions only (stocks, bonds, options, futures, other securities) and only transactions valued at more than $1,000
- Transactions reported on the PTR must also be reported on the annual FD
- You must file a PTR *not more than 45 days* from the date of the transaction
- Graduated late fee structure for late PTRs—can result in thousands of dollars in late fees (!)

**NO EXTENSIONS ALLOWED!**
Do not file a report of “no activity”
FD and PTR: Whose Assets Must be Reported?

On both annual FD and PTR, report assets (and transactions in assets) owned wholly or in part by:

- You
- Your spouse, or
- Your dependent children
  - Under age 21, unmarried, & living with you (or in college) \textit{or}
  - Claimed as dependent on your federal taxes
Call or Write Before Acting

House Committee on Ethics
Office of Advice and Education
1015 Longworth House Office Building
Washington, DC 20515
(202) 225-7103 (office) (202) 225-7392 (fax)
www.ethics.house.gov

- All communications are confidential
- Law states that no one is placed at risk by seeking Committee advice about future conduct
- Good faith reliance on written Committee opinions protects you from sanctions under House rules
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- Communications between Members and constituents are considered *confidential*
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• You *may not* accept a gift that is offered in connection with an official action taken or asked to be taken
  
  • May be deemed a bribe or improper gratuity under federal criminal law (18 U.S.C. § 201)
  
  • Items of nominal value are allowed as thank you gifts (e.g., flowers, baked goods, or decorative items)
Gifts

- A gift is almost anything of value, including a discount, tickets to a game, a cup of coffee, a gift card
- The gift rule is written in the negative—cannot accept a gift unless an exception permits acceptance
  - More than 20 exceptions—far fewer exceptions for gifts from federal registered lobbyists or foreign agents
- Before you accept a gift, ask yourself:
  - Can I accept the gift?
  - Do I need prior approval from the Ethics Committee?
  - Do I need to disclose or report the gift (e.g., the Ethics Committee, Clerk, or an FD Statement, etc.)?
- Prior Ethics approval may be required, such as for gifts of personal friendship of more than $250
Gifts

- Gifts from relatives
  - Includes fiancés and in-laws
- Gifts from personal friends
  - Must meet certain criteria
- Gifts from other Members and staff
  - Gifts from employees up the chain only on specials occasions
- Gifts related to outside activities
  - May not be offered or enhanced due to House employment
- Gifts from federal, state, or local government
  - Includes public universities
Gifts from Foreign Governments

- Foreign Gifts and Decorations Act (FGDA) allows Members and staff to accept a gift of **$390 or less** from a foreign government

- If the gift is worth more than $390, you must turn the gift over to the Clerk within 60 days for disposal and file a disclosure form with the Ethics Committee

- With Committee permission, you may be able to retain the gift for official use
Attendance at Events

"Free attendance" at certain types of events may be accepted under the rule:

Gift bags are permitted only if otherwise acceptable under the gift rule.
Widely Attended & Charity Events

Widely Attended Events
- Attendance connected to official duties
- Open to the public or at least 25 non-Hill attendees

Charity Events
- Sponsored by a 501(c)(3) non-profit
- May accept free attendance only from the sponsor
Receptions & Campaign Events

Receptions
- Food or refreshments of a nominal value
- Cannot constitute a meal

Campaign or Political Events
- Sponsored by a 527 organization
- Invitation must come directly from the 527
Solicitations

- General prohibition *against* most solicitations (5 U.S.C. § 7353)

- Permissible charitable solicitations
  - Must be in your personal capacity
  - On your own time
  - Not using official resources
  - No solicitations of lobbyists or foreign agents
  - No implied official endorsement
  - No direct personal benefit to soliciting individual
Travel
Privately-sponsored Travel

- Each traveler must obtain prior, written approval from the Ethics Committee
- Request must be submitted at least 30 days before start date of the trip

- There are significant restrictions on accepting travel expenses from private entities that retain or employ lobbyists or foreign...
the last paragraph here is also for the next slide (and should be with the next slide)
Muthiah, Sarah, 10/23/2019
Pre-Approval Exceptions

Committee pre-approval *not* required for travel paid for using:

- House funds (MRA or committee funds)
- Federal campaign funds, provided your travel is reported to the FEC
- U.S. federal, state, or local government funds
  - Public (state) university funds
Travel from Foreign Government

Special rules and disclosure requirements for travel funded by foreign governments:

- MECEA (Mutual Educational and Cultural Exchange Act)
- FGDA (Foreign Gifts and Decorations Act)
  - Committee pre-approval not required for either
  - FGDA travel must be reported to Committee on special form within 30 days
Private Planes

- Significant restrictions on the use of campaign or personal funds to pay for flights on privately-owned aircraft

- Call the Ethics Committee before flying

- Prior Ethics approval may be required to accept a gift of private plan travel

- Disclosure may be required
Campaign Activity
Campaign Activity

- Same rules apply to all Members and House staff.
- Rules apply in both election and non-election years.
- Rules generally apply to any campaign (Presidential, House, local, etc).
- Rules apply to paid and volunteer campaign staff.
Exceptions for Certain Campaign-Related Activities

Common sense exceptions to the prohibition on use of official resources:

- scheduling
- handling press calls
- referrals to campaign office
- providing official materials
Official Use of Campaign Funds

- **General rule:** Campaign funds may be used for some expenses of a Member’s personal office or a committee on which the Member serves.

- **Permitted official uses:**
  - Food at Member office events
  - Officially connected travel for Member or staff
  - Travel for guest speaker at Member office event
  - Cell phone or BlackBerry
  - Car
Impermissible Use of Campaign Funds

Some clearly prohibited personal expenses:

- Normal living expenses (food, clothing, shelter)
- Vacation expenses
- Tickets to shows and sporting events (unless part of a bona fide campaign event)
- Country club or health club dues

Members may never borrow from their campaign account
Conflict of Interest
General Principles

- Do not allow compensation to accrue to your personal benefit from improper use of House position. - *House Rule 23, clause 3*

- Do not accept benefits for you or your family under circumstances that appear to influence your governmental duties. - *Code of Ethics for Government Service ¶ 5*

- No "special favors" to anyone, based on personal, business, or political relationships. - *Code of Ethics for Government Service ¶ 5*

- Do not use official position or confidential information for personal gain. - *Code of Ethics for Government Service ¶ 8*

- Do not use official House resources for personal or campaign activities. - *31 U.S.C. § 1301*
Earned Income and Other Restrictions

Members may not—

- All Members are limited in the amount of outside income they may earn (2019: $28,440)
- Permit a firm that provides fiduciary services to use your name
- Receive —
  - compensation for serving as an officer or director of any entity
    - Includes both for-profit and non-profit organizations
  - payment for performing services involving a fiduciary relationship
- Fiduciary Professions: Legal, real estate, consulting and advising (including lobbying), insurance, medicine,* financial services, and similar positions where you hold a position of trust

*Note: There are special rules for Members who are also medical doctors
Other Outside Activities

**Honoraria:** Members may not receive an honorarium (i.e., payment for a speech, article, or appearance), but may have up to $2,000 donated directly to a charity.

**Teaching:** Members may not teach for compensation unless they first get written permission from the Ethics Committee for each semester of teaching.

**Writing:** Members must receive prior Committee approval for any book contract. Members may not receive an advance on copyright royalties.
Personal Activity

Do Not Contract with Federal Government

No Lobbying or Representational Contacts
Do NOT represent an outside organization in a matter if the Federal government is a party or has an interest.
SPOUSE CANNOT lobby you or your staff if, spouse is a registered federal lobbyist. - House Rule 25, clause 7.

Do Not Use Material, Nonpublic Information
May constitute INSIDER TRADING.
SEC definition of “public” not obvious or clear.

Do NOT Participate in an IPO
Official Activity

- **Voting in the House**
  - You MUST vote on each question put, UNLESS you have a direct
    - personal or pecuniary interest in the matter. - *House Rule 3, clause 1.*

- **Other House Actions**
  - You MUST use “added circumspection” on all other official actions (sponsoring a bill, advocating for
    or participating in House committee action, contacting an executive branch agency, etc…).
  - Possible Solutions include *recusal or referral to another Member office, committee with jurisdiction, or Senate office.*
  - BUT: **do NOT** advocate to that other office.
  - REMINDER: **Your staff acts on your behalf and you may be held liable for their actions.**

- **Earmarks & Financial Interest Certification**
  - You MUST certify that neither you nor your spouse has a personal financial interest in a requested
    earmark or limited tax or tariff benefit. The Committee of jurisdiction over the bill determines if
    earmark or tariff benefit.
Post Employment Restrictions

- Former Members may not communicate or appear before the House or Senate on behalf of third party seeking official action for a year.

- Current Members and staff *may not* aid former Members and staff in violating the post-employment restrictions.

- Members and senior staff must disclose negotiations with private entities.

- Members and senior staff may be required to recuse from related official matters.
Financial Disclosure
Financial Disclosure Statements

- Due date is May 15th

- You must have at least one employee in your personal office who files an FD. Must be either –
  - senior staff rate ($127,914) for 60 days or more, or
  - A Principal Assistant: An employee you select to file a financial disclosure (if no employee paid at senior staff rate)

- Committee staff are able to prescreen your FD prior to filing

- You may use your MRA to compensate someone to prepare your FD
FD and PTR:
Whose Assets Must be Reported?

On both annual FD and PTR, report assets (and transactions in assets) owned
wholly or in part by:
   You
   Your spouse, or
   Your dependent children
      Under age 21, unmarried, & living with you (or in college) or
      Claimed as dependent on your federal taxes
Call or Write Before Acting

Committee on Ethics
1015 Longworth HOB
Washington, DC 20515
(202) 225-7103 (phone)
(202) 225-7392 (fax)
website: ethics.house.gov

All communications are confidential
Good faith reliance on written Committee opinions protects you from sanctions under House rules
EXHIBIT 4
Training for Members on Ethics Laws, Rules, and Standards of Conduct

Presented by the Committee on Ethics
U.S. House of Representatives

116th Congress
The Ethics Committee and its Functions

- Constitutional Authority: Article I, Section 5 of the U.S. Constitution: “Each House may . . . Punish its Members for disorderly Behavior . . .”
- 10-Members of Congress on a bipartisan committee
- Non-partisan staff:
  - Advise and provide training and guidance on ethics laws, rules, and standards of conduct
    - Seeking advice insulates you from an investigation
    - We keep a record of all inquiries
  - Review Financial Disclosure filings (staff are available to perform prescreens)
  - Investigate possible violations by Members, officers, and employees
  - You can contact the Committee by phone, email, mail, or by walking in person
Official Resources
Official Resources

- Official resource is anything paid for with an appropriation (including your staff)
- No personal use of official resources (except de minimus)
- No use for campaign activity unless expressly permitted

- Official expenses or activities may only be paid from:
  - Appropriated funds (MRA);
  - Member's personal funds; or
  - Member's campaign funds (with certain limits)
- No private donations, funds, or in-kind goods or services are allowed in support of official House activities or expenses.
Official Resources: Maintain A Bright Line

Your Official Staff Cannot—

☒ Contribute to your campaign
☒ Do campaign work on official time or in official buildings
☒ Work for free (exceptions for interns, etc.)
☒ Use their personal funds for official purposes
☒ Give you gifts (including running personal errands)

☒ Be required or pressured to volunteer for anything, including your campaign
☒ Use official resources or position for their own personal benefit, or yours
☒ Take official actions that would create a conflict for you
☒ Represent others (unofficially) to the federal government
Official Resources and Events

An event can only ever be an official congressional event or an outside group’s event

- **Cannot** co-sponsor an official congressional event with any outside group, including a non-profit
- **No** private subsidy for official congressional events
  - **But**: assistance from domestic governmental entities, including public universities is permitted
  - No use of official resources for an event sponsored by an outside group
    - **But**: your name may sometimes be used in connection with an outside group’s event
  - **No** solicitation of an outside group to hold an event for you
General Casework

- Members have *broad* discretion in deciding whether and how to assist constituents
- *No* special treatment or "access" for supporters, contributors, or friends

- Avoid *ex parte* communications
- Communications between Members and constituents are considered *confidential*
Sexual Harassment and Employment Discrimination

- House Rule 23, clause 9 prohibits discharging or refusing to hire an individual, or otherwise discriminating against an individual on the basis of race, color, religion, sex (including marital or parental status), sexual orientation, gender identity, disability, age, or national origin of such individual, including by committing an act of sexual harassment against such individual.

- House Rule 23, clause 18(a) prohibits Members from engaging in a sexual relationship with any employee of the House who works under the supervision of the Member, or who is an employee of a committee on which the Member serves.

- House Rule 23, clause 18(b) prohibits Members from in unwelcome sexual advances or conduct towards another Member, Delegate, Resident Commissioner, officer, or employee of the House.
Gifts
Bribes and Illegal Gratuities

• You *may not* accept a gift that is offered in connection with an official action taken or asked to be taken
  
  • May be deemed a bribe or improper gratuity under federal criminal law (18 U.S.C. § 201)
  
  • Items of nominal value are allowed as thank you gifts (*e.g.*, flowers, baked goods, or decorative items)
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- A gift is almost anything of value, including a discount, tickets to a game, a cup of coffee, a gift card
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Gifts

- Gifts from relatives
  - Includes fiancés and in-laws
- Gifts from personal friends
  - Must meet certain criteria
- Gifts from other Members and staff
  - Gifts from employees up the chain only on specials occasions
- Gifts related to outside activities
  - May not be offered or enhanced due to House employment
- Gifts from federal, state, or local government
  - Includes public universities
Gifts from Foreign Governments

- Foreign Gifts and Decorations Act (FGDA) allows Members and staff to accept a gift of **$415 or less** from a foreign government

- If the gift is worth more than $415, you must turn the gift over to the Clerk within 60 days for disposal and file a disclosure form with the Ethics Committee

- With Committee permission, you may be able to retain the gift for official use
Attendance at Events

"Free attendance" at certain types of events may be accepted under the rule:

- Charity Events
- Campaign or Political Events
- Widely Attended Events
- Receptions

Gift bags are permitted only if otherwise acceptable under the gift rule.
Widely Attended & Charity Events

Widely Attended Events
- Attendance connected to official duties
- Open to the public or at least 25 non-Hill attendees

Charity Events
- Sponsored by a 501(c)(3) non-profit
- May accept free attendance only from the sponsor
Receptions & Campaign Events

**Receptions**
- Food or refreshments of a nominal value
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- Sponsored by a 527 organization
- Invitation must come directly from the 527
Solicitations

- General prohibition against most solicitations (5 U.S.C. § 7353)

- Permissible charitable solicitations
  - Must be in your personal capacity
  - On your own time
  - Not using official resources
  - No solicitations of lobbyists or foreign agents
  - No implied official endorsement
  - No direct personal benefit to soliciting individual
Travel
Privately-sponsored Travel

- *Each* traveler must obtain prior, written approval from the Ethics Committee

- Request must be submitted at least **30 days** before start date of the trip

  - There are significant restrictions on accepting travel expenses from private entities that *retain* or *employ* lobbyists or foreign
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Committee pre-approval not required for travel paid for using:

- House funds (MRA or committee funds)
- Federal campaign funds, provided your travel is reported to the FEC
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- MECEA (Mutual Educational and Cultural Exchange Act)
- FGDA (Foreign Gifts and Decorations Act)
  - Committee pre-approval not required for either
  - FGDA travel must be reported to Committee on special form within 30 days
Private Planes

- Significant restrictions on the use of campaign or personal funds to pay for flights on privately-owned aircraft

- Call the Ethics Committee before flying

- Prior Ethics approval may be required to accept a gift of private plane travel

- Disclosure may be required
Campaign Activity
Campaign Activity

- Same rules apply to all Members and House staff.
- Rules generally apply to any campaign (Presidential, House, local, etc.).
- Rules apply in both election and non-election years.
- Rules apply to paid and volunteer campaign staff.
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- handling press calls
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- **General rule**: Campaign funds may be used for some expenses of a Member’s personal office or a committee on which the Member serves.

- **Permitted official uses**:
  - Food at Member office events
  - Officially connected travel for Member or staff
  - Travel for guest speaker at Member office event
  - Cell phone or Blackberry
  - Car
Impermissible Use of Campaign Funds

Some clearly prohibited personal expenses:

- Normal living expenses (food, clothing, shelter)
- Vacation expenses
- Tickets to shows and sporting events (unless part of a bona fide campaign event)
- Country club or health club dues

Members may never borrow from their campaign account
Conflict of Interest
General Principles

- Do not allow compensation to accrue to your personal benefit from improper use of House position. - *House Rule 23, clause 3*

- Do not accept benefits for you or your family under circumstances that appear to influence your governmental duties. - *Code of Ethics for Government Service§ 5*

- No “special favors” to anyone, based on personal, business, or political relationships. - *Code of Ethics for Government Service§ 5*

- Do not use official position or confidential information for personal gain. - *Code of Ethics for Government Service§ 8*

- Do not use official House resources for personal or campaign activities. - *31 U.S.C. § 1301*
Personal Activity

**Do Not Contract with Federal Government**

**No Lobbying or Representational Contacts**
Do NOT represent an outside organization in a matter if the Federal government is a party or has an interest.
Do NOT lobby or aid outside organizations in the lobbying of Congress or the Executive Branch. - *18 U.S.C. §§ 203 & 205; House Rule 25, clause 6.*
SPOUSE CANNOT lobby you or your staff if, spouse is a registered federal lobbyist. - *House Rule 25, clause 7.*

**Do Not Use Material, Nonpublic Information**
May constitute INSIDER TRADING.
SEC definition of “public” not obvious or clear.

**Do NOT Participate in an IPO**
Prohibitions on Outside Positions

Members *may not* serve as an officer or director of any:
- Public company, defined by the Securities and Exchange Act of 1934; or
- Company traded on a foreign market.
- There are NO exceptions to these restrictions.

Members *may not* serve as an officer or director of any:
- Entity that receives funding from a federal agency, jurisdiction of which falls within a committee on which a Member sits; or
- Entity that is regulated by a federal agency, jurisdiction of which falls within a committee on which a Member sits.
- There are several exceptions to these restrictions.
Earned Income and Other Restrictions

Members may not—

- All Members are limited in the amount of outside income they may earn (2020: $28,845)
- Permit a firm that provides fiduciary services to use your name
- Receive —
  - compensation for serving as an officer or director of any entity
    - Includes both for-profit and non-profit organizations
  - payment for performing services involving a fiduciary relationship
- Fiduciary Professions: Legal, real estate, consulting and advising (including lobbying), insurance, medicine,* financial services, and similar positions where you hold a position of trust

*Note: There are special rules for Members who are also medical doctors
Other Outside Activities

**Honoraria:** Members may not receive an honorarium (i.e., payment for a speech, article, or appearance), but may have up to $2,000 donated directly to a charity.

**Teaching:** Members may not teach for compensation unless they first get written permission from the Ethics Committee for each semester of teaching.

**Writing:** Members must receive prior Committee approval for any book contract. Members may not receive an advance on copyright royalties.
Official Activity

- **Voting in the House**
  - You **MUST** vote on each question put, **UNLESS** you have a direct
    - personal or pecuniary interest in the matter. - *House Rule 3, clause 1.*

- **Other House Actions**
  - You **MUST** use "added circumspection" on all other official actions (sponsoring a bill, advocating for or participating in House committee action, contacting an executive branch agency, etc…).
  - Possible Solutions include *recusal or referral to another Member office, committee with jurisdiction, or Senate office.*
  - **BUT:** do **NOT** advocate to that other office.
  - **REMINDER:** Your staff acts on your behalf and you may be held liable for their actions.

- **Earmarks & Financial Interest Certification**
  - You **MUST** certify that neither you nor your spouse has a personal financial interest in a requested earmark or limited tax or tariff benefit. The Committee of jurisdiction over the bill determines if earmark or tariff benefit.

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Post Employment Restrictions

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- Current Members and staff *may not* aid former Members and staff in violating the post-employment restrictions

- Members and senior staff must disclose negotiations with private entities

- Members and senior staff may be required to recuse from related official matters
Financial Disclosure
Financial Disclosure Statements

- Due date is May 15th

- You must have at least one employee in your personal office who files an FD. Must be either –
  • senior staff rate ($131,239) for 60 days or more, or
  • A Principal Assistant: An employee you select to file a financial disclosure (if no employee paid at senior staff rate)

- Committee staff are able to prescreen your FD prior to filing

- You may use your MRA to compensate someone to prepare your FD
FD and PTR:
Whose Assets Must be Reported?

On both annual FD and PTR, report assets (and transactions in assets) owned wholly or in part by:

You

Your spouse, or

Your dependent children
Under age 21, unmarried, & living with you (or in college) or
Claimed as dependent on your federal taxes
Call or Write Before Acting

Committee on Ethics
1015 Longworth HOB
Washington, DC 20515
(202) 225-7103 (phone)
(202) 225-7392 (fax)
website: ethics.house.gov

All communications are confidential
Good faith reliance on written Committee opinions protects you from sanctions under House rules