



U.S. Department of Defense Standards of Conduct Office

Prior Approval for Outside Employment and Business Activities

The purpose of the attached sample request for approval is to ensure that DoD employees engaging in outside employment and business activities do not have conflicts of interest with their official duties.

Background

Generally, DoD personnel are prohibited from engaging in outside employment or any other outside activity that conflicts with their official duties. An activity conflicts with an individual's official duties if it is prohibited by statute or by an agency supplemental regulation or would require the individual to be disqualified from matters so central or critical to the performance of his official duties that the individual's ability to perform the duties of his position would be materially impaired. 5 C.F.R. § 2635.802.

DoD Supplemental Ethics Regulation

The DoD Supplemental Standards of Ethical Conduct require DoD personnel, other than a Special Government Employee, who are required to file a financial disclosure report, to obtain written approval from their supervisor *before* engaging in a business activity or compensated outside employment with a prohibited source unless general approval has been given in accordance with the Regulation. Approval should be granted unless the individual's supervisor determines that the business activity or compensated outside employment is expected to involve conduct prohibited by statute or regulation. Business activity means any contractual or other financial relationship not involving the provision of personal services by the individual. It does not include a routine commercial transaction or the purchase of an asset or interest such as a stock that is available to the general public. Outside employment includes any form of non-Federal employment or business relationship involving the provision of personal services by the individual, whether paid or unpaid. For example, a DoD financial disclosure filer would need to receive prior written approval from his or her supervisor before beginning employment with a DoD support contractor. 5 C.F.R. § 3601.107; JER Sections 2-206 and 3-304.

Procedure

An employee considering accepting or engaging in outside employment and business activities with an entity that is a DoD prohibited source should provide his supervisor with the required information to make an assessment. The supervisor must then make the determination, consulting with the Standards of Conduct Office as necessary. A copy of the supervisor's determination must be forwarded to the DoD Standards of Conduct Office for retention with the employee's financial disclosure report.

[date]

MEMORANDUM FOR [Employee Name/Title]

SUBJ: Request for Prior Written Approval to Engage in Outside Employment and Business Activities

On [date], you requested permission to engage in outside employment or business activity with _____ [name of outside employer or business entity], a DoD prohibited source. Because you are a financial disclosure filer, prior written supervisor approval is required for this outside employment or business activity pursuant to 5 C.F.R. § 3601.107.

Your DoD duties involve _____ [describe duties]. You also indicate that this outside employment or business activity will involve _____ [describe duties].

As your supervisor, I hereby APPROVE/ DISAPPROVE your engagement in this outside employment or business activity as it is unlikely/likely to create a potential or actual conflict of interest with your DoD responsibilities.

If approved, please note that you are subject to all applicable ethics laws and regulations when engaging in this outside employment or business activity. Specifically, you may not:

- (1) represent this outside employer or business entity before the Federal Government;
- (2) participate in official DoD matters that will have a financial effect on this outside employer or business entity;
- (3) use Government time or property; or
- (4) disclose nonpublic information.

Should a possible conflict of interest arise with this outside employer or business entity, you should not participate in the matter and must submit a written disqualification to your supervisor. You should contact an ethics official if you have any questions or concerns. If you have questions about these rules, you should consult me or an ethics official.

Supervisor Signature

Supervisor Name

cc: Standards of Conduct Office (OSD.SOCO@mail.mil)