



STANDARDS FOR ISSUING CONFLICT OF INTEREST WAIVERS

Department of Commerce policy is to not issue individual conflict of interest waivers to employees, except:

1. for special Government employees serving on Federal advisory committees,
2. for employees in the U.S. and Foreign Commercial Service serving overseas,
3. with regard to financial interests that are similar to financial interests covered by Office of Government Ethics (OGE) regulatory exemptions, and
4. in unusual circumstances in which it is determined that the employee's participation in matters that would otherwise require disqualification is important to the agency.

A financial interest is considered "not so substantial as to be deemed likely to affect the integrity" of an employee's service and, therefore, eligible for a waiver in the last three situations identified above if:

- the value of the interest is \$50,000 or less,
- the value of all interests covered by the waiver are 10% or less of the employee's investment portfolio, and
- for securities and other equity interests in a firm, the value of the interests covered by the waiver are 5% or less of the outstanding equity in the firm.

Examples of financial interest similar to those covered by OGE regulatory exemptions include:

- stock options or shadow stocks if the option, if held in stock, would meet exemption standards;
- securities held indirectly, such as through a trust or pension fund, if it would be eligible for an exemption if held directly;
- securities publicly-traded, but not on a United States exchange, if the security would be eligible if traded on such an exchange based on its low value;
- stable value funds; and
- tracking or other funds that mimic diversified mutual funds.

Examples of unusual circumstances in which a waiver would be appropriate, if the employee's disqualification would substantially hamper agency operations include:

- an interest in a trust in which the employee and others are beneficiaries and
- an interest that may not be divested due to contractual or other legal limitations.

**For advice about conflict of interest waivers, or to seek such a waiver, contact the
Ethics Law and Programs Division at
ethicsdivision@doc.gov or 202-482-5384.**

*Prepared by the Ethics Law and Programs Division, Office of the General Counsel,
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June 23, 2015*