

Key Ethics Issues and Concerns for TVA Suppliers and Contractors

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I. Gift Restrictions:

- General Rule : TVA employees must not solicit or accept anything of value from a “prohibited source.” Contractors to TVA are one such prohibited source.
- Limited exceptions to the General Rule:
 - Refreshments (not part of a meal);
 - \$20/\$50 Rule (\$20 on any one occasion, NTE \$50 in any one year);
 - Gifts **clearly** based on a personal friendship or family relationship;
 - Discounts available to all TVA employees;
 - Gifts officially accepted by TVA management (but not the individual employee)(subject to perception considerations and reporting requirements).

How must TVA employees handle prohibited gifts?

- Payment to the donor of the gift’s “market value” – use checks and/or receipts as evidence; **or**
- Return the gift to the donor; **or**
- Perishable items (e.g., food) may be shared around the workplace or destroyed.

II. Conflicts of Interest:

- TVA employees are prohibited from participating in particular matters affecting their own financial interests or those of an “imputed party” (18 U.S.C. § 208; federal criminal law.)
- “Imputed parties” include:
 - Employee’s spouse or minor child;
 - Any entity for which the employee serves as director, officer, employee, trustee, or general partner;
 - Potential future employers.
- These rules apply to all TVA employees. (**Note:** non-TVA employees may be charged with aiding and abetting offenses under federal criminal laws.)

For non-imputed parties, apply the reasonable person standard: would a reasonable person, apprised of all of the relevant facts, think that an ethics issue exist?

Exceptions for Conflicts of Interest (§ 208) restrictions:

- TVA employees may own securities of a specific party in an amount: (1) up to \$15K (as to parties to a TVA matter); or (2) up to \$25K (as to non-parties that are nevertheless affected by a TVA action or decision);
- Diversified mutual funds;
- Written waivers (these require advance coordination with the federal Office of Government Ethics, and are rarely granted).

III. Employment Considerations and “Revolving Door” Issues:

- TVA employees “negotiating for employment” are subject to the Conflict of Interest rules and federal criminal law, discussed above.
- TVA employees seeking or negotiating for employment with **contractors** are subject to additional ethics regulations.
- Part-time outside employment of TVA employees – TVA prior approval is required (TVA Form 15570)

- Spouses and relatives employed by Contractors: can create Conflict of Interest issues (see Section II above) and appearance of impropriety issues.
- Post-Employment Restrictions: 18 U.S.C. § 207 (federal criminal law) – Former TVA employees must not “seek to influence” the Government on:
 - particular matters personally handled (lifetime restriction); **or**
 - particular matters under their supervision during final year of TVA employment (2-year restriction).
 - An additional one-year “cooling off” period exists for former “Senior” TVA employees.
- *For former contractor employees joining TVA:* one-year regulatory restriction on dealings with prior employer, so that a new TVA employee is prohibited from working on, or approving invoices for, the same matter(s) on which the employee worked for the contractor.

IV. Miscellaneous Ethics Rules:

The ethics rules state that TVA employees cannot:

- Accept travel expenses associated with attending conferences or meetings; travel expenses include lodging, transportation, meals, waiver of registration fees;
- Accept compensation from any source for speaking, teaching or writing that relates to the TVA employee’s official duties;
- Appear to be endorsing a product or service: TVA employees may not allow the use of TVA’s name or their official title to endorse any product or service. Employees *must not* provide opinion-based answers about a vendor’s work or product, but they *may* provide documentation of a contractor’s compliance with TVA’s requirements, or other documented facts.

V. Standard Ethics-Related Provisions Found in TVA

Contracts:

- Supplier Code of Conduct clause (see: <http://supplier.tva.gov>)
- Certifications Regarding Covered Persons, *and* Debarment and Suspension clauses
- Organizational Conflicts of Interest (“OCI”) clause
- Business Ethics and Compliance clause:
 - Similar to FAR clause required by other Federal agencies;
 - Requires each vendor to have a written code of business conduct;
 - Requires disclosure of credible evidence of commission of a violation of Federal criminal law involving fraud, conflict of interest, bribery, or gratuity, or the False Claims Act.

Frequently Asked Question (FAQ)

Can I communicate about our company's relationship with TVA, or TVA's use or purchase of the company's product or service?

As a corporate agency of the U.S. government, TVA prohibits the use of its name in ways that appear to endorse any product, service or supplier relationship. Suppliers must review the Public Communications section of their contracts, which states (in relevant part) that they (and their subcontractors, if any) must obtain the written approval of TVA's Contracting Officer before making any types of public disclosures or communications relating to or referencing TVA or their contract with TVA, before using TVA's name, logo or quotations attributable to TVA or its employees in any public communication. TVA, in its sole discretion, may approve or reject a proposed public communication or disclosure, except to the extent that it is specifically required by applicable laws. Further, Suppliers are subject to additional restrictions on communication of any TVA confidential information to third parties.