

ETHICS ADVISORY 98-15 - Use of Government Resources for Employee Gifts

By now, we should all be familiar with the rules about gifts between employees. Generally, we may not give a gift to an official superior, and we may not accept a gift from another employee who makes less money than we do. However, there are exceptions that permit us to give some gifts in appropriate situations, such as a bottle of wine as a hospitality gift, entertaining our boss in our home, contributing to a gift for a retirement, and bringing in food to be shared in our office.

The additional issue that occurs from time to time is the use of appropriated funds to make or buy a gift for a fellow employee. In general, we cannot use appropriated funds for such purposes.

This issue comes up in a number of different ways. For example, a group of employees at one installation purchased a military print for the retiring commander. Although the print was less than the \$300 gift limit, to have it properly matted and framed would take it over the \$300 limit. The employees thought that the answer would be to have the post engineer use his carpenters, tools and materials to frame the print. In another case, a Pentagon office suggested that nice gold-plated frames from GSA supply could be used for prints to be given to all departing employees.

Although the issue seems to come up most often with respect to framing mementos for departing employees, there are also other types of situations. In one case, an installation audio-visual department received a work order to make a "This Is Your Life" video as a gift for the retiring commander. In another, the superintendent of a national cemetery presented the retiring installation commander with a shiny nickel-plated, nicely engraved, shovel, and its value did not exceed \$300. In addition to the issue of what the retiring commander would do with a cemetery shovel, he was faced with the problem that it was purchased using appropriated funds.

Finally, although they are not gifts given to the employee, there are related instances of improper use of appropriated funds when an employee leaves an organization. For example, there was the situation where a command wanted to use appropriated funds to prepare and landscape around a large granite rock in a public area of the installation, inlay a plaque into the rock, and build a shelter around the rock in honor of a retiring commander.

The general rule is that appropriated funds may not be used to purchase or make gifts for employees, or to honor employees, even for those who are being reassigned or retiring after many years of honorable service. Certainly, there are official aspects of a transfer or retirement such as award and retirement ceremonies, and appropriated funds are often available in support of these official functions. However, when it comes time for the gift, the taxpayer does not underwrite it. If we want to give a gift to honor the

employee's service, then we pay for it using our personal funds, but keeping within the rules (e.g., the value generally may not exceed \$300 and we may not solicit more than \$10 each from other employees).

In general, appropriated funds are not available to buy or craft plaques, framed mementos, or other items to give to employees *unless* the presentation item is part of an officially approved awards program. These Army awards programs are set out in AR 672-5-1 and AR 672-20. There is also an AMC supplement to AR 672-5-1 and a number of AMC regulations governing awards.

If you believe that your situation is different and permits the use of appropriated funds because of special circumstances, you should check with your Ethics Counselor or fiscal law lawyer *before* you commit any funds. When dealing with fiscal issues, innovation and creativity can lead to trouble which often comes in the guise of an Anti-Deficiency Act (ADA) violation. In addition to the criminal aspect of ADA violations, there are investigations that need to be done, reports to Congress that have to be made, and they certainly do not enhance one's career prospects.

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