

DISQUALIFICATIONS AND RECUSALS

When is disqualification or recusal required?

- A Federal employee may not participate (i.e., must disqualify or recuse himself or herself from participating) in any matter that creates a financial conflict of interest or an appearance of loss of impartiality.

When does a financial interest require disqualification?

- An employee may not work on any matter affecting his or her own financial interests or those of his or her spouse, minor children, household members, or general partners; or of organizations in which the employee serves as an officer, director, trustee, or employee; or of anyone with whom the employee is seeking employment, unless the interests are in U.S. publicly-traded stocks or bonds of \$15,000 or less, or, if the matter at issue is a broad policy matter, U.S. publicly-traded stocks or bonds of \$25,000 or less in any company affected by the matter (if interests in all affected companies are \$50,000 or less), or are in broadly-diversified mutual funds, or are in sector-specific mutual funds of \$50,000 or less in the same sector.

When does an appearance of loss of impartiality require recusal?

- An employee may not participate in a matter if one of the parties is (or is represented by) someone with whom the employee has close personal or business ties. By regulation, such persons include: persons with whom the employee has or is seeking financial or business relations; close relatives; household members; employers or clients of the employee's parents, spouse, or dependant children (or their prospective employers or organizations in which they serve as officers or directors); former employers or clients (for a period of one or two years, depending on severance payments); and organizations in which the employee is an active participant. However, special authorization to participate may be available if in the agency's interest.

Must a recusal be in writing?

- No, unless the recusal concerns a prospective employer from whom the employee has received travel payments or is a bidder on a procurement of \$100,000 or more.

Prepared by the Ethics Division, Office of the Assistant General Counsel for Administration, U.S. Department of Commerce – January 2, 2004
FOR ADVICE ON THIS TOPIC, CALL THE ETHICS DIVISION AT (202) 482-5384

A WORD ABOUT ETHICS