

## CONFLICT OF INTEREST

### 1. PURPOSE

This directive establishes procedures for addressing conflict-of-interest situations involving agency personnel who provide services under the authority of the United States Grain Standards Act (USGSA) and the Agricultural Marketing Act (AMA). Agency personnel include: (1) licensed official agency employees; (2) nonlicensed official agency personnel (i.e., directors, trustees, clerks, political appointees, stockholders, etc.); and (3) licensed personnel who provide services under contract for official agencies. In addition, this directive provides guidance for handling conflicts involving licensed personnel who provide services under contract with FGIS.

**NOTE: The Animal and Plant Health Inspection Service is responsible for addressing all conflict-of-interest situations involving FGIS employees.**

### 2. REPLACEMENT HIGHLIGHTS

This directive replaces Program Directive 9070.3, Conflict of Interest of Official Agency Personnel, dated September 2, 1988.

### 3. AUTHORITY

The USGSA (7 U.S.C. 87) and sections 800.187, 195, 196, 198, and 199 of the regulations thereunder prohibit all licensed and authorized personnel from having conflicts of interest.

Sections 868.30 and 60 of the regulations under the AMA prohibit licensed and authorized personnel from having conflicts of interest.

### 4. POLICY

The Grain Inspection, Packers and Stockyards Administration (GIPSA) must maintain the integrity of the national inspection and weighing system by ensuring that no conflicts of interest exist. Conflicts of interest generally involve financial relationships with entities engaged in the commercial transportation, storage, merchandizing, processing or

handling of grain, commodities, or related products. Such conflicts can be either direct or indirect in nature. While the USGSA and AMA program authority differs, GIPSA's policy is to use the same criteria for determining whether a conflict exists, regardless of the statute. It is also GIPSA policy to use the same guidelines to decide the appropriateness of granting an exception for conflicts under either law (USGSA or AMA).

All licensed, nonlicensed, and authorized personnel are responsible for reporting and eliminating conflict-of-interest situations or the appearance thereof. In addition, all licensed and nonlicensed individuals must complete the conflict-of-interest information that appears on the following forms (FGIS-944, FGIS-943, or FGIS-100), as applicable.

In instances where circumstances suggest that a conflict exists, the individual may be eligible for an exception. In such cases, the affected individual(s) must provide written justification to ensure that granting an exception will not jeopardize the integrity of the official system. However, if facts relating to a conflict suggest a compromise of the official system, the Compliance Division will not grant an exception and the affected individual(s) must eliminate the conflict immediately.

## **5. RESPONSIBILITIES**

Agency manager(s) or his/her designee must:

- a. Address each conflict or potential conflict situation(s) without delay;
- b. Ensure that all licensed and nonlicensed personnel understand the conflict-of-interest policies;
- c. Obtain and forward to the field office written documentation that thoroughly explains a conflict situation, if it is indicated, on forms FGIS-944, FGIS-943, or FGIS-100;
- d. Report to the field office any new change(s) or circumstance(s) that create a conflict situation and provide written documentation that thoroughly explains the matter; and
- e. Provide the field office a written recommendation(s) that supports granting an exception for a conflict, or explain why such a request is opposed. If an exception is granted, monitor the respective individual for adherence to all exception guidelines.

Field office manager(s) or his/her designee must:

- a. Address each conflict or potential conflict situation(s) without delay;
- b. Ensure that agency managers, field office employees, and licensees performing services under contract with FGIS understand the conflict-of-interest policies;
- c. Obtain from agency personnel or field office contractor(s) written documentation that thoroughly explains a conflict situation;
- d. Evaluate all pertinent information and determine whether a conflict or the appearance thereof exists;
- e. Send all documentation to the Compliance Division, Regulatory Branch that pertains to a conflict involving agency personnel and field office contractors;
- f. Provide the Compliance Division, Regulatory Branch written recommendation(s) that supports granting an exception for a conflict, or explain why you oppose such request;
- g. Monitor agency personnel and field office contractors for adherence to all exception guidelines, if granted, during routine supervisory visits;
- h. Remind agency managers and field office employees/contractors about the standards of conduct policies that guard against the appearance of a loss of impartiality and;
- i. Advise agency managers and field office employees/contractors against engaging in activities that could adversely affect the public's confidence in the official system.

The Compliance Division, Regulatory Branch will:

- a. Advise field office managers or agency managers regarding the presence or absence of a conflict;
- b. Immediately evaluate each conflict or potential conflict situation(s);
- c. Provide exceptions for certain conflicts of interest or deny such requests;

- d. Provide written responses to field office or agency manager(s) regarding the granting of an exception for conflict situations including condition(s), or explain why the request was denied; and
- e. Maintain a conflict-of-interest database.

**6. FURTHER INFORMATION**

Direct question(s) concerning conflict-of-interest policies to the Compliance Division, Regulatory Branch.

Telephone Number (202) 720-8536

FAX (202) 690-2755

In addition, forward a copy of the conflict-of-interest report(s) to:

USDA-GIPSA-FGIS  
Compliance Division, Regulatory Branch  
Room 1647S  
1400 Independence Ave. S.W.  
Washington, D.C. 20250-3604  
STOP 3604

**/S/ Neil E. Porter**

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