



Federal Aviation Administration

Memorandum

Date: APR 9 2008
To: All Flight Standards Employees
From: James J. Ballough
Director, Flight Standards Service, AFS-1 *James J. Ballough*
Prepared by: Bernadette L. Keitt
Subject: Flight Standards Reiteration of Ethical Conduct Policy Contained in DOT Order 3750.7, Ethical Conduct and Financial Disclosure

In 1996 we issued a memo defining ethical behavior for Flight Standards employees. (AFS-1 memo of 07-18-96). This memo reiterates the same information contained in that memo and provides guidance on the agency's flight privileges policy that was issued in December 2004. Flight Standards employees are expected to comply with the policies stated below as well as the Standards of Ethical Conduct rules covering all FAA employees.

The Flight Standards organization continually strives to maintain the highest standards of safety globally. While our industry continues to change and grow, our commitment to high standards remains steadfast, and it is the responsibility of each of us who provides services to industry not to breach the public trust. We are aware that perceptions are not always the reality; however, it is our obligation as public servants to protect the government's integrity by avoiding any actual or appearances of conflict while performing our duties and responsibilities.

Issue 1: Divestiture of Reemployment Rights with Aviation-Related Organizations

FAA employees, their spouse or minor children are prohibited from owning "stocks or other securities interests" in airlines or aircraft manufacturing companies or in a supplier of components or parts to an airline or aircraft manufacturing company. Both the FAA and the Office of the Secretary of Transportation have determined that prohibited other interests include holding reemployment rights. The FAA is a high visibility agency with significant public safety responsibilities that make it often the focus of attention from the public, who seek reassurances that those responsibilities are discharged effectively, vigorously, and even-handedly. Therefore, the agency has adopted a strict but certain

policy that can be quickly implemented to rectify situations that violate the spirit as well as the letter of the requirements in order to promote public confidence in the integrity of the agency.

Flight Standards employees owning "**other interests**" in an aviation-related organization must divest themselves of those interests. Those Flight Standards employees who are annually required to complete an OGE-450, Confidential Financial Disclosure Report, must, when completing Part IV, Agreements and or Arrangements, show any former employer with whom they hold reemployment rights. This requirement also applies to new employees who must complete an OGE-450 within 30 days of assuming a position designated to file a disclosure report.

Issue 2: Spousal Employment with Aviation-Related Organizations

All managers must ensure that no current or future employee certifies, oversees, or inspects any aviation-related organization for which their spouse work. If this should occur, the employee should be reassigned to work functions of another aviation-related organization.

Issue 3: Two-Year Hiatus Between Employment With Aviation-Related Organizations and FAA Assignment

Attached are the Flight Standards "*Guidelines on Avoiding Conflicts of Interest in Inspector Work Assignments.*" It states, in part, that "in ordinary circumstances, inspectors should **not** be assigned to the certification, surveillance, or inspection of operators with whom they were employed in industry for a period of **2** years from the time they separated from employment with the operator." Also, they shall **not** be assigned to be team leaders of national, regional, or local inspection teams (National Aviation Safety Inspector Program NASIP or equivalent) during this period." Each employee should ensure that he or she is in compliance with this policy and each manager should ensure that his/her employee(s) are not given an assignment that would be in conflict with agency policy.

The *Flight Standards Managers Annual Certification on Conflicts of Interest Guidelines* tool, is attached, which managers will sign stating that inspectors are **not** assigned to oversee, inspect, or certify an aviation-related organization with whom they were employed for a period of **2** years from the time they separated from the aviation-related organization. This tool is also to be used to document that *new* employees are **not** assigned to the certification, surveillance, or inspection of any aviation-related organization for a period of **2** years from the time they separated from that aviation-related organization.

A copy of FAA Order 3750.7, Ethical Conduct and Financial Disclosure is provided. Paragraph 10 of this directive sets forth the 14 principles of ethical conduct verbatim as in the Standards of Ethical Conduct for Executive Branch Employees, 5 CFR Part 2635.

Issue 4: Use of Flight Privileges by Flight Standards Employees

This policy establishes procedures under which FAA employees may obtain permission to use flight privileges they have because of their previous employment with an air carrier or because of current or past air carrier employment of a family member which includes the employee's spouse, children, mother, father, sister and brother.

If an FAA employee holds flight privileges due to his own past employment with an air carrier, and he or a family member wants to use those privileges, he must disqualify himself from working on any matters involving that carrier. Disqualification includes surveillance, inspection, enroutes, etc. and includes disqualification from "sister" companies owned by the same parent company, i.e. American Airlines and American Eagle Airlines that are owned by AMR Corporation. He must also submit a disqualification statement to his immediate supervisor and Regional/Center Counsel. Regional/Center Counsel will provide the standard disqualification statement upon request.

In situations where a family member of the FAA employee holds flight privileges through current or past employment with an air carrier, and the FAA employee wants to use those privileges, then the employee must disqualify himself from working on matters involving that carrier. If the family member from whom the flight privileges flow wants to use those privileges [and no longer works for the carrier], then the FAA employee should seek guidance from Regional/Center Counsel to determine whether they can work on matters involving that carrier. Of course if an employee's family member currently works for that carrier, then the employee may not work on matters involving that carrier.

FLIGHT STANDARDS SERVICE GUIDELINES ASSIGNING INSPECTORS TO AVOID CONFLICT OF INTEREST

The aviation industry and the Federal Aviation Administration (FAA) mutually benefit when the agency utilizes the knowledge, skills, and abilities of trained industry personnel to perform the certification, surveillance, and inspection work required by law and regulation. At the same time, there are some limitations which must be followed to avoid either conflict of interest or the appearance of conflict on the part of FAA aviation safety inspectors. It is incumbent on all supervisors, managers, and employees to be aware of and adhere to these guidelines.

1. In ordinary circumstances, inspectors should not be assigned to the certification, surveillance, or inspection of operators with whom they were employed in industry for a period of 2 years from the time they separated from employment with the operator. They also shall not be assigned to be team leaders or national, regional, or local inspection teams (National Aviation Safety Inspector Program NASIP or equivalent) during this period.
2. Inspectors who left the private sector under conditions of duress, who were terminated for cause, for failing training, or who have litigation, grievances, etc., pending against the private sector entity are barred from performing work on that entity until the litigation or grievance has been settled or for the duration of the 2-year period, whichever is longer.
3. Regional division managers may, in individual cases, determine that a longer period should apply during which an inspector is not assigned to work with an operator.
4. The guidelines apply to employees at any level who have responsibility for the oversight, inspection, surveillance, or certification of the operator.
5. All managers must ensure that no current or future employee certifies, oversees, or inspects any aviation-related organization for which their spouses work. If this should occur, the employee should be reassigned to work functions of another aviation-related organization.
6. If an FAA employee holds flight privileges due to his own past employment with an air carrier, and he or a family member wants to use those privileges, he must disqualify himself from working on any matters involving that carrier. Disqualification includes surveillance, inspection, enroutes, etc. and includes disqualification from "sister" companies owned by the same parent company, i.e. American Airlines and American Eagle Airlines that are owned by AMR Corporation.

He must also submit a disqualification statement to his immediate supervisor and Regional/Center Counsel. Regional/Center Counsel will provide the standard disqualification statement upon request.

In situations where a family member of the FAA employee holds flight privileges through current or past employment with an air carrier, and the FAA employee wants to use those privileges, then the employee must disqualify himself from working on matters involving that carrier. If the family member from whom the flight privileges flow wants to use those privileges [and no longer works for the carrier], then the FAA employee should seek guidance from Regional/Center Counsel to determine whether they can work on matters involving that carrier. Of course if an employee's family member currently works for that carrier, then the employee may not work on matters involving that carrier.

7. Objections to an eligible certified for employment consideration by the Aviation Careers Division, AMH-300, are to be made in writing by the Regional Human Resource Management Division. The objection must describe how the applicant's prior work experience is not compatible with the work assignment or elements of a specific position, unit within an office, or office itself. For example, a former ABC Airlines employee could not be assigned to a geographic inspector position where the predominant assignment was surveillance of ABC operations. Ordinarily AMH-300 will remove the applicant from consideration for the position in question but retain the applicant in the inventory for consideration for other positions and locations for which qualified.

Flight Standards Managers Annual Certification on Conflicts of Interest

Purpose: This requirement is to document compliance with the standards of ethical conduct in the area of aviation safety within the Flight Standards organization.

Instructions: This tool is to be completed for *new* and *tenure* employees occupying Aviation Safety Inspector positions (1825). The new employee certification should be completed within 30 days of reporting for duty. The recertification of tenure employees is required for the preceding calendar year (January – December). Forward completed tool to the 210 organization no later than **February 15th**.

This tool can be used for multiple employees and review dates can be different for each employee.

Sign and date the tool **ONLY** at the conclusion of the review.

Inspector Name	Date on Board	Position Title	Review Date

In accordance with AFS-1 "Guidelines on Avoiding Conflicts of Interest in Inspector Work Assignments," I certify that the above named aviation safety inspector(s) is/are **not** assigned to, oversee, inspect, or certify an aviation-related organization with whom he/she was employed for a period of 2 years from the time of separation.

Manager's Name

Date

Region and Office Routing Symbol