Introduction of the Gifts Scenario

After viewing a short scenario involving a government employee and a contractor employee, you will use available resources to analyze a critical and complex situation, then formulate an ethical response.

**Government Employee:**
Gloria, Program Manager (GS-15) F-2000 Fighter Attack Procurement

**Contractor Employee:**
Cliff, Project Manager Acme Aircraft Company

**Scene:** Program evaluation meeting in Gloria's Office
Gift Scenario

Highlights

- Government employee is pleased with the contractor's work

- Contractor's corporate management is pleased to be performing the multi-billion contract and is proud of the progress to date

- Contractor offers government employee $50 tickets to a game for everyone in the office - government and contractor

*Click the play button on the video to play the scenario.*

[Click here to view video script text.](#)
**Gift Scenario Script**

**Gloria:** Well, that's the last item, Cliff. I couldn't be more pleased with the results of the first ten phases of flight testing. The numbers are very impressive. All of you at Acme have been doing a great job and I think it reflects positively on our project.

**Cliff:** Well, you know, we're proud of the F-2000, and not only because it demonstrates the advanced technical capabilities we bring to the table. We know the F-2000 will make a real contribution to the national defense. A lot of us at Acme feel that it's our duty to make the F-2000 a reality. And, of course, our corporate management and our shareholders are pretty happy that we've got a multi-billion dollar project that's going to take us well into the 21st century. But honestly I think our real motivation here is a sincere dedication to supporting the troops.

**Gloria:** Well, that's right, and we're both on the same team, aren't we? And we both have an equal interest in making this program work.

**Cliff:** Absolutely, we are teammates. And in that spirit, I think we should take advantage of as many team-building opportunities as we can.

**Gloria:** Oh, yes. Agreed

**Cliff:** And in support of that effort Acme has provided for the first one! Our management is so impressed by the results of those first ten tests/activities that they went out and purchased tickets for this weekend's game for the entire office, for both government and contractors. So we'll see your team there.
Decision Time

You witnessed a scenario which calls for Gloria, a government employee, to make a decision regarding tickets to a game offered by Cliff, a contractor employee.

If you were Gloria, what would you do?

Click on each image to learn more to assist you in making your decision.
Consult with Peers

Choose from the following persons to consult regarding Gloria's acceptance of the tickets to the game.

When you are done consulting with your peers, select NEXT to return to the decision time menu.
**Co-worker**

Gloria's Co-Worker Says ... "Wow, tickets to the game! Me, too? Great!"

**Supervisor**

Gloria's Supervisor Says ..."Well, we should be careful here, but I recall from my ethics training that you may accept up to $50 a year in gifts from a contractor. So I think you are okay as long as you do not take anything else from Acme this year.

You know, I am pretty sure the Admiral went to a game with the CEO of Acme last year. They are good friends, old shipmates. Besides, this is a great team-building exercise. Just to be sure, though, you might check the appropriate regulations."

**Mr. Know-it-all**

Gloria's Colleague Mr. Know-it-all Says ... "Gee, that team has not had a winning season for years. I do not think you could sell those tickets if you tried.

Besides, as a team-building exercise, this is an exception to the rule about accepting gifts. You can go over the usual dollar limit. I think you can accept gifts at aircraft rollouts, ship launchings, or widely attended gatherings. Why not for team building?"

**Spouse**

Gloria’s Spouse Says ..."Another Sunday wasted on the game? Not again! Besides, is it not safer just to turn this sort of thing down? Should you just buy your own ticket?"
Ethics Resources

Choose from the following resources to research regulations regarding a government employee's acceptance of tickets to the game from a contractor.

Joint Ethics Regulations

5 CFR 2635

When you have completed your research select NEXT to return to the decision time menu.
Make your decision now

Choose the number of the "best" action for Gloria regarding the tickets:

**Action 1.** Accept the tickets and go to the game. A contractor’s gift of tickets is permissible on certain occasions; team-building is one of those occasions.

**Action 2.** Accept the tickets and go to the game. Since each ticket value is within the $50-per-year limit on gifts, it is ok to accept them from the contractor.

**Action 3.** Accept the tickets and go to the game. Make sure that you reimburse the contractor for the $50 face value of each ticket.

**Action 4.** Politely decline the tickets and do not go to the game because some may think there is "shady" business going on. You may make your decision now or you may choose **BACK** to return to the Decision Time menu to consult with peers, conduct research and/or replay the scenario.
The DAEO says

Before you settle on this decision, it is a good idea to get some expert advice from the Designated Agency Ethics Officer (DAEO).

The DAEO says...

"Ah, I wish you had called me before accepting the game tickets from the contractor. Yes, there are a number of exceptions to the rule prohibiting acceptance of gifts, but team-building is not one of them."

*Now that you have more information select NEXT to make your final decision.*
The DAEO says

Before you settle on this decision, let’s get some expert advice for the Designated Agency Ethics Officer (DAEO).

The DAEO says...

"Now that I have listened to the situation, I wish you had called me before accepting the tickets. Well, you were partly right...but mostly wrong.

Yes, there is an exception that allows you to accept up to $50 per year in gratuities from a contractor. But gifts from any one source on any occasion may not exceed $20."

Now that you have more information select NEXT to make your final decision.
The DAEO says

Before you settle on this decision, let’s get some expert advice for the Designated Agency Ethics Officer (DAEO).

The DAEO says...

"Thanks for calling and sharing this situation. By paying your own way, you are no longer receiving a gift."

"This way you can go to the game with your contractor teammates. You simply have to reimburse them for the face value of each ticket."

Now that you have more information select NEXT to make your final decision.
The DAEO says

Before you settle on this decision, let’s get some expert advice for the Designated Agency Ethics Officer (DAEO).

The DAEO says...

"I appreciate your calling me about this. It is never a wrong decision to decline a gift or turn down an opportunity to socialize with contractor personnel. And you should do this if you think your ethical integrity might be called into question."

Now that you have more information select NEXT to make your final decision.
Make your final decision now

Now that you have browsed the available resources, and received expert advice from the DAEO, choose the number of the "best" action for Gloria regarding the tickets offered by a contractor.

**Action 1.** Accept the tickets and go to the game. A contractor's gift of tickets is permissible on certain occasions; team-building is one of those occasions.

**Action 2.** Accept the tickets and go to the game. Since each ticket value is within the $50-per-year limit on gifts, it is ok to accept them from the contractor.

**Action 3.** Accept the tickets and go to the game. Make sure that you reimburse the contractor for the $50 face value of each ticket.

**Action 4.** Politely decline the tickets and do not go to the game because some may think there is "shady" business going on.
Outcome of your decision

You decided that Gloria, the government employee, should accept the tickets from Cliff, the contractor employee, because the gift is for team-building.

This decision violates ethical principles. "Team-building" is not one of the exceptions to the rule against accepting gifts from "prohibited sources" (such as DOD contractors).

*Select NEXT for another opportunity to choose the "best" ethical action.*
Outcome of your decision

You decided that Gloria, the government employee, should accept the tickets and go to the game because each ticket value is within the $50-per-year exception to the general rule prohibiting acceptance of gifts from "prohibited sources" (such as DOD contractors).

This decision violates ethical principles.

While it is correct that you may accept up to $50 per year in gifts from a prohibited source, any gifts on a single occasion from that source must not exceed $20 in value.

Select NEXT for another opportunity to choose the "best" ethical action.
Outcome of your decision

You decided that Gloria, the government employee, should accept the tickets and go to the game. She must reimburse the contractor for the $50 face value of each ticket.

This decision is in compliance with ethical principles.

By paying for the tickets, you avoid any question of a gift.

Other decisions in this scenario may also be in compliance with ethical principles. You may choose to select BACK to explore other decisions or select NEXT to proceed to the summary.
Outcome of your decision

You decided that Gloria, the government employee, should politely decline the tickets and not go to the game because some may think there is "shady" business going on.

This decision is in compliance with ethical principles.

By declining the tickets, you avoid any ethical dilemma. It is never wrong to decline a gift or to turn down an opportunity to socialize with contractor personnel.

Other decisions in this scenario may also be in compliance with ethical principles. You may choose to select BACK to explore other decisions or select NEXT to proceed to the summary.
Summary

Government employee acceptance of gifts from a contractor

Because federal employees and officials are generally prohibited from accepting gratuities from "prohibited sources" (such as defense contractors), you should only accept a gift if you are confident that there is a specific rule creating an exception that permits acceptance of the gift.

Simply following what seems to be "common sense" may not lead you to the correct answer.

You may select BACK to restart the scenario.
Here are the key principles to keep in mind when you are faced with the offer of a gift in the course of your job:

- Federal employees are generally prohibited from soliciting, or accepting gifts offered "because of the employee's official position" or gifts offered by a "prohibited source." A prohibited source can be a company doing business or seeking to do business with the federal government. This includes contractors, even partnering contractors. Details: 5 CFR 2635.202(a)

- Although the Office of Government Ethics Regulations allows you to accept gifts from a prohibited source up to a total of $50 per year, any gifts on a single occasion must not exceed $20 in value. In this example, the face value of the football ticket — $50 — is the market value, so the ticket cannot be accepted as a gift. Details: 5 CFR 2635.204(a)

- If you would like to go to this game with your contractor teammates, you must do so by paying the full face value of the ticket, not the difference between $20 and $50.

- Also, keep in mind that it is a violation of the FAR gratuities clause (FAR 52.203-3 Gratuities) for a contractor to offer a gratuity for the purpose of obtaining favorable treatment under a contract. Procurement personnel must be alert to the motivations of a contractor in offering a gratuity.

Even when acceptance of a gift is permissible, it still may be advisable to decline it. If accepting a gift could call your impartiality or ethical integrity into question, it simply might be a better personal decision to say "Thanks, but no thanks."
You have completed the content for this lesson.

To continue, select another lesson from the Table of Contents on the left.

If you have closed or hidden the Table of Contents, click the Show TOC button at the top in the Atlas navigation bar.