address, and other identification of the borrower, the style of execution, and the acknowledgment.

(2) When the loan is to finance housing of more than two rental units the mortgage will include the following provision:

Borrower covenants and agrees that it will not discriminate, or permit discrimination by any agent, lessee, or other operator, in the use or occupancy of the housing or related facilities financed in whole or in part with the loan in connection with which this instrument is given, because of race, color, creed, or national origin.

(3) When a loan resolution or loan agreement is used, the mortgage will include the following provision:

This instrument also secures the obligations and agreements of Borrower set forth in Borrower's Loan Resolution (Loan Agreement) of ____________________ (Date), which is hereby incorporated herein by reference.

(4) In case of a loan to an individual where a loan agreement is not used, the mortgage will include the following provisions:

Occupancy of the housing and related facilities on the property will be limited to domestic farm labor occupants as defined in the regulations of the Farmers Home Administration, unless the Government gives prior written approval to other occupancy.

As required by the Government: Borrower will permit the Government to inspect and examine the operation of the housing, and the books, records, and operations of Borrower; submit regular and special reports pertinent to the purpose of the loan or the Government's financial interests; subject rents and charges and other terms of rental agreements with occupants of the housing, and compensation to employees connected with its operation, to prior approval by the Government, or to adjustment at the direction of the Government when necessary in its judgment to carry out the purpose of the loan or protect its financial interests; and comply with any other requirements which, in the discretion of the Government, are reasonably appropriate to the purpose of the loan or protection of the Government's interests.

(c) *Promissory note and insurance endorsement.* (1) For a loan to an individual, Form FHA 440-16, "Promissory Note (Insured Loan)," will be used.

(2) For a loan to an organization, Form FHA 440-22, "Promissory Note (Insured Loan to Association or Organization)," will be used, except that where provisions of State law or special circumstances make Form FHA 440-22 inappropriate, either the State Director with the advice of the Office of the General Counsel or the National Office will determine the form of obligation.

(3) The total amount to be shown in the note will be the amount of the loan appearing on Form FHA 440-3.

(4) Payments on LH loans will be scheduled with annual installments due January 1. If the first installment, or first two installments, are less than regular installments, the regular annual installment will be computed by multiplying the amount of the loan by the factor for the number of years over which the regular annual installment will be scheduled.

(5) When the loan is closed during December, the first installment will be collected at the time of loan closing, if it is a nominal amount or the borrower consents.

(6) If the funds are furnished by a private lender, and if the promissory note is not drawn in favor of the lender as the named payee, the note will be assigned to the lender simultaneously with loan closing, using the form of endorsement on the reverse of the note. Form FHA 440-5, "Insurance Endorsement (Insured Loans)," will also be completed and signed at loan closing. The note and Form FHA 440-5 will be delivered to the lender immediately thereafter.

(7) Each County Supervisor and each State Director is authorized to execute the endorsement on the reverse of the note and the issuance endorsement constitutes the Government's contract of insurance of the loan.

(d) *Date of closing.* An LH loan is considered closed when the security instrument is filed of record, or, if no security instrument is filed of record, when the loan funds are deposited in the supervised bank account or otherwise made available to the borrower after he executes and delivers the note and any other required instruments.

§ 322.76 Subsequent LH loans.

A subsequent loan is a loan made to a borrower indebted for an LH loan. Subsequent loans may be made for the same purposes and under the same condtions as initial loans.

§ 322.77 Complaints regarding discrimination in use and occupancy of housing projects of more than two rental units.

(a) With respect to housing of more than two rental units, any occupant or applicant for occupancy or use of the housing or related facilities who believes he has been discriminated against because of race, color, creed, or national origin may file a complaint with the County Supervisor or State Director. Any such complaint will be referred through the State Director to the National Office.

(b) The complaint must be in writing and signed by the complainant and contain the following information:

(1) The name and address (including telephone number) of the complainant.

(2) The name and address of the person committing the alleged discrimination.

(3) Date and place of the alleged discrimination.

(4) Any other pertinent information that will assist in the investigation and resolution of the complaint.

(c) The County Supervisor or State Director will acknowledge receipt of the complaint and promptly forward it to the National Office.

(d) Attached to the written complaint should be a statement from the County Supervisor or State Director as to whether the security instrument executed by the borrower contains the nondiscrimination covenant. The statement also should include any other information which the State Director or County Supervisor has pertaining to the complaint. The County Supervisor or State Director should delay a comprehensive investigation of any complaint until requested to do so by the National Office.

(e) The National Office will determine whether discrimination did in fact occur. If necessary, appropriate steps will be taken to ascertain the essential facts.

(f) If it is found that the complaint is without substance, the parties concerned will be so notified.

(g) If it is found that the nondiscrimination covenant in the security instruments was violated, the FHA will inform the parties of such finding and advise the violator to take the action necessary to correct the violation and to give appropriate assurance of future compliance.

(h) If the borrower should fail to take such action and assure future compliance, the Administrator may take appropriate action to enforce Executive Order No. 11063 and any related Executive orders and Department regulations.

Dated: March 15, 1966.

HOWARD BERTSCH,
Administrator,
Farmers Home Administration.

[F.R. Doc. 66-2906; Filed, Mar. 18, 1966; 8:46 a.m.]

Title 10—ATOMIC ENERGY

Chapter I—Atomic Energy Commission

PART 20—STANDARDS FOR PROTECTION AGAINST RADIATION

PART 40—LICENSING OF SOURCE MATERIAL

PART 50—LICENSING OF PRODUCTION AND UTILIZATION FACILITIES

PART 55—OPERATORS' LICENSES

PART 70—SPECIAL NUCLEAR MATERIAL

PART 100—REACTOR SITE CRITERIA

PART 115—PROCEDURES FOR REVIEW OF CERTAIN NUCLEAR REACTORS EXEMPTED FROM LICENSING REQUIREMENTS

PART 140—FINANCIAL PROTECTION REQUIREMENTS AND INDEMNITY AGREEMENTS

PART 150—EXEMPTIONS AND CONTINUED REGULATORY AUTHORITY IN AGREEMENT STATES UNDER SECTION 274

Miscellaneous Amendments

Notice is hereby given of the amendment of 10 CFR Parts 20, 40, 50, 55, 70, 100, 115, 140, and 150 of the Atomic Energy Commission's regulations.

The amendments pertain to the addressing of communications, declarations, requests, reports, and applications lating to the regulations in these parts. The amendments reflect changes which have occurred in the regulatory organization of the Commission and provide parallel sections relating to the addressing of communications to the Commission in each part.

Part 150 has also been amended to reflect new section numbers resulting from the recodification of Parts 30 and 31, which was published on June 26, 1965 (30 F.R. 8185), and became an effective rule on August 25, 1965.

Editorial changes have been made in § 40.31, Part 40; § 50.30, Part 50; and § 70.21, Part 70.

Because these amendments relate solely to agency organization, correction, and minor procedural matters, notice of proposed rule making and public procedure thereon are unnecessary and good cause exists to make the amendments effective upon publication in the FEDERAL REGISTER.

Accordingly, pursuant to the Atomic Energy Act of 1954, as amended, and the Administrative Procedure Act of 1946, the following amendments of Parts 20, 40, 50, 55, 70, 100, 115, 140, and 150 of the Commission's regulations are published as a document subject to codification, to be effective upon publication in the FEDERAL REGISTER.

1. Section 20.7 of 10 CFR Part 20 is amended to read as follows:

§ 20.7 Communications.

Except where otherwise specified in this part, all communications and reports concerning the regulations in this part, and applications filed under them, should be addressed to the Director of Regulation, U.S. Atomic Energy Commission, Washington, D.C., 20545. Communications, reports and applications may be delivered in person at the Commission's offices at 1717 H Street NW., Washington, D.C.; at 4915 St. Elmo Avenue, Bethesda, Md.; or at Germantown, Md.;

§ 20.206 [Amended]

2. The note at the end of § 20.206(c) of 10 CFR Part 20 is amended to read as follows:

NOTE: Copies of Form AEC-3, "Notice to Employees," may be obtained by writing to the Director of the appropriate U.S. Atomic Energy Commission Regional Compliance Office listed in Appendix "D" or the Director, Division of Materials Licensing, U.S. Atomic Energy Commission, Washington, D.C., 20545.

§ 20.405 [Amended]

3. Section 20.405(a) of 10 CFR Part 20 is amended by changing "Director, Division of Licensing and Regulations, U.S. Atomic Energy Commission, Washington 25, D.C.," to read "Director, Division of State and Licensee Relations, U.S. Atomic Energy Commission, Washington, D.C., 20545,".

4. Appendix D of 10 CFR Part 20 is amended by changing the address and telephone numbers of the Compliance Offices to read as follows:

Address	Telephone	
	Daytime	Nights and holidays
Region I, Division of Compliance, USAEC, 376 Hudson St., New York, N.Y., 10014	212-989-1000	212-989-1000
Region II, Division of Compliance, USAEC, 50 7th St. NE., Atlanta, Ga., 30323	404-526-5791	404-526-5791
Region III, Division of Compliance, USAEC, Suite 410, Oakbrook Professional Bldg., Oak Brook, Ill., 60523	312-654-1680	312-739-7711
Region IV, Division of Compliance, USAEC, 10395 West Colfax Ave., Denver, Colo., 80215	303-297-4211	303-237-5095
Region V, Division of Compliance, USAEC, 2111 Bancroft Way, Berkeley, Calif., 94704	415-841-5620	415-841-5620

5. Section 40.5 of 10 CFR Part 40 is amended to read as follows:

§ 40.5 Communications.

Except where otherwise specified in this part, all communications and reports concerning the regulations in this part, and applications filed under them, should be addressed to the Director, Division of Materials Licensing, U.S. Atomic Energy Commission, Washington, D.C., 20545. Communications, reports, and applications may be delivered in person at the Commission's offices at 1717 H Street NW., Washington, D.C.; at 4915 St. Elmo Avenue, Bethesda, Md.; or at Germantown, Md.

§ 40.23 [Amended]

6. Paragraph 40.23(a) of 10 CFR Part 40 is amended by changing "Division of Licensing and Regulation of the U.S. Atomic Energy Commission, Washington 25, D.C." to read "Director, Division of State and Licensee Relations, U.S. Atomic Energy Commission, Washington, D.C., 20545."

7. Section 40.31(a) of 10 CFR Part 40 is amended to read as follows and (e) is deleted.

§ 40.31 Applications for specific licenses.

(a) Applications for specific licenses should be filed in quadruplicate on Form AEC-2, "Application for Source Material License", or on Form AEC-7, "Application for License to Export Byproduct or Source Material," as appropriate, with the Director, Division of Materials Licensing (for Form AEC-2) or Director, Division of State and Licensee Relations (for Form AEC-7), U.S. Atomic Energy Commission, Washington, D.C., 20545. Applications may be filed in person at the Commission's offices at 1717 H Street NW., Washington, D.C.; at 4915 St. Elmo Avenue, Bethesda, Md.; or at Germantown, Md. Information contained in previous applications, statements or reports filed with the Commission may be incorporated by reference, provided that such references are clear and specific.

* * * * *

8. A new § 50.4 is added to 10 CFR Part 50 to read as follows:

§ 50.4 Communications.

Except where otherwise specified in this part, all communications and reports concerning the regulations in this part, and applications filed under them, should be addressed to the Director, Division of Reactor Licensing, U.S. Atomic Energy Commission, Washington, D.C., 20545. Communications and reports may be delivered in person at the Commission's offices at 1717 H Street NW., Washington, D.C.; at 4915 St. Elmo Avenue, Bethesda, Md.; or at Germantown, Md.

9. Section 50.30(a) of 10 CFR Part 50 is amended to read as follows:

§ 50.30 Filing of applications for licenses; oath or affirmation.

(a) *Place of filing.* Each application for a license, including whenever appropriate a construction permit, or amendment thereof, should be filed with the Director, Division of Reactor Licensing, U.S. Atomic Energy Commission, Washington, D.C., 20545; except that applications for export licenses should be filed with the Director, Division of State and Licensee Relations. Communications, reports, and applications may be delivered in person at the Commission's offices at 1717 H Street NW., Washington, D.C.; at 4915 St. Elmo Avenue, Bethesda, Md.; or at Germantown, Md.

* * * * *

§ 50.59 [Amended]

10. Section 50.59(d) of 10 CFR Part 50 is amended by changing "Atomic Energy Commission, Attention: Director, Division of Licensing and Regulation." to read "Director, Division of Reactor Licensing, U.S. Atomic Energy Commission, Washington, D.C., 20545."

11. Section 55.5 of 10 CFR Part 55 is amended to read as follows:

§ 55.5 Communications.

Except where otherwise specified, all communications and reports concerning the regulations in this part, and applications filed under them, should be addressed to the Director, Division of Reactor Licensing, U.S. Atomic Energy Commission, Washington, D.C., 20545. Communications, reports, and applications may be delivered in person at the Commission's offices at 1717 H Street NW., Washington, D.C.; at 4915 St. Elmo Avenue, Bethesda, Md.; or at Germantown, Md.

12. Section 55.10(a) of 10 CFR Part 55 is amended by deleting the words "Applications for licenses shall be filed in triplicate and shall contain the following information:" and substituting therefor the following words:

§ 55.10 Contents of applications.

(a) Applications for licenses should be filed in triplicate, except for the report of medical examination, with the Director, Division of Reactor Licensing, U.S. Atomic Energy Commission, Washington, D.C., 20545. Communications, reports, and applications may be delivered in person at the Commission's offices at 1717 H Street NW., Washington, D.C.; at 4915 St. Elmo Avenue, Bethesda, Md.; or at Germantown, Md. Each application for a license shall contain the following information:

* * * * *

13. Section 55.60(b) and the note at the end of the section of 10 CFR Part 55 are amended to read as follows:

§ 55.60 Examination form.

* * * * *

(b) The examining physician shall complete and sign Form AEC-396 and shall mail the completed form to the Director, Division of Reactor Licensing, U.S. Atomic Energy Commission, Washington, D.C., 20545.

NOTE: Copies of Form AEC-396 may be obtained by writing to the Director, Division of Reactor Licensing, U.S. Atomic Energy Commission, Washington, D.C., 20545.

14. Section 70.5 of 10 CFR Part 70 is amended to read as follows:

§ 70.5 Communications.

Except where otherwise specified in this part, all communications and reports concerning the regulations in this part, and applications filed under them, should be addressed to the Director, Division of Materials Licensing, U.S. Atomic Energy Commission, Washington, D.C., 20545. Communications, reports, and applications may be delivered in person at the Commission's offices at 1717 H Street NW., Washington, D.C.; at 4915 St. Elmo Avenue, Bethesda, Md.; or at Germantown, Md.

15. Section 70.21(a) of 10 CFR Part 70 is amended to read as follows and (e) is deleted:

§ 70.21 Filing.

(a) Applications for licenses should be filed in sextuplicate with the Director, Division of Materials Licensing, U.S. Atomic Energy Commission, Washington, D.C., 20545; except that applications for export licenses should be filed with the Director, Division of State and Licensee Relations. Applications may be filed in person at the Commission's offices at 1717 H Street NW., Washington, D.C.; at 4915 St. Elmo Avenue, Bethesda, Md.; or at Germantown, Md. Information contained in previous applications, statements or reports filed with the Commission may be incorporated by reference, provided that such references are clear and specific.

* * * * *

§ 100.11 [Amended]

16. The note at the end of § 100.11 of 10 CFR Part 100 is amended by changing the last paragraph to read as follows:

Copies of Technical Information Document 14844 may be obtained from the Commission's Public Document Room, 1717 H Street NW., Washington, D.C., or by writing the Director, Division of Reactor Licensing, U.S. Atomic Energy Commission, Washington, D.C., 20545.

17. A new § 115.6 is added to 10 CFR Part 115 to read as follows:

§ 115.6 Communications.

Except where otherwise specified in this part, all communications and reports concerning the regulations in this part and applications filed under them should be addressed to the Director, Division of Reactor Licensing, U.S. Atomic Energy Commission, Washington, D.C., 20545. Communications, reports, and applications may be delivered in person at the Commission's offices at 1717 H Street NW., Washington, D.C.; at 4915 St. Elmo Avenue, Bethesda, Md.; or at Germantown, Md.

18. Section 115.20(a) of 10 CFR Part 115 is amended to read as follows:

§ 115.20 Applications for authorizations.

(a) *Place of filing.* Each application for an authorization, including whenever appropriate a construction authorization, or amendment thereof, should be filed with the Director, Division of Reactor Licensing, U.S. Atomic Energy Commission, Washington, D.C., 20545. Applications may be filed in person at the Commission's offices at 1717 H Street NW., Washington, D.C.; at 4915 St. Elmo Avenue, Bethesda, Md.; or at Germantown, Md.

* * * * *

§ 115.47 [Amended]

19. Section 115.47(d) of 10 CFR Part 115 is amended by changing "Atomic Energy Commission, Attention: Director, Division of Licensing and Regulation." to read "Director, Division of Reactor Licensing, U.S. Atomic Energy Commission, Washington, D.C., 20545."

20. Section 140.5 of 10 CFR Part 140 is amended to read as follows:

§ 140.5 Communications.

Except where otherwise specified in this part, all communications and reports concerning the regulations in this part should be addressed to the Director, Division of State and Licensee Relations, U.S. Atomic Energy Commission, Washington, D.C., 20545. Communications and reports may be delivered in person at the Commission's offices at 1717 H Street NW., Washington, D.C.; at 4915 St. Elmo Avenue, Bethesda, Md.; or at Germantown, Md.

21. Section 150.4 of 10 CFR Part 150 is amended to read as follows:

§ 150.4 Communications.

Except where otherwise specified in this part, all communications and reports concerning the regulations in this part should be addressed to the Director of Regulation, U.S. Atomic Energy Commission, Washington, D.C., 20545. Communications and reports may be delivered in person at the Commission's offices at 1717 H. Street NW., Washington, D.C.; at 4915 St. Elmo Avenue, Bethesda, Md.; or at Germantown, Md.

22. The first sentence of section 150.20 (b) is revised and paragraph (b) (1) and (2) are revised as follows:

§ 150.20 Recognition of State licenses.

* * * * *

(b) Notwithstanding any provision to the contrary in any specific license issued by an agreement State to a person who engages in activities in a non-agreement State under a general license provided in this section, the general license provided in this section is subject to the provisions of §§ 30.14(d), 30.34, and 30.51 to 30.63 inclusive of Part 30 of this chapter; §§ 40.41, 40.61 to 40.63 inclusive, 40.71 and 40.81 of Part 40 of this chapter; and §§ 70.32, 70.51 to 70.56 inclusive, 70.61, 70.62, and 70.71 of Part 70 of this chapter; and to the provisions of Part 20 and Subpart B of Part 34 of this chapter. * * *

(1) Shall file AEC Form No. 241, "Report of Proposed Activities in Nonagreement States" in quadruplicate with the Director, Division of State and Licensee Relations, U.S. Atomic Energy Commission, Washington, D.C., 20545, prior to engaging in any such activity;

(2) Shall not in any nonagreement State transfer or dispose of radioactive material possessed or used under the general license provided in this section except by transfer to a person (i) specifically licensed by the Commission to receive such material, or (ii) exempt from the requirements for a license for such material under § 30.14 of this chapter.

* * * * *

(Secs. 161 and 274; 68 Stat. 948 and 73 Stat. 688; 42 U.S.C. 2201, 2021)

Dated at Washington, D.C., this 8th day of March 1966.

For the Atomic Energy Commission.

W. B. McCool,
Secretary.

[F.R. Doc. 66-2950; Filed, Mar. 18, 1966; 8:49 a.m.]

Title 13—BUSINESS CREDIT AND ASSISTANCE

Chapter I—Small Business Administration

[Rev. 1]

PART 105—STANDARDS OF CONDUCT

Part 105 of Chapter I of Title 13 of the Code of Federal Regulations, as amended (26 F.R. 8447, 9745, 10723; 27 F.R. 4833, 5653, 12612; 28 F.R. 3021, 12311; 29 F.R. 4717), is hereby revised to read as follows:

Sec.	
105.735-1	Purpose and scope.
105.735-2	Definitions.
105.735-3	Conflicts of interests between private interests of third parties and the Government.
105.735-3-1	Former employees.

AUTHORITY: The provisions of this Part 105 issued under Pub. Law 85-536, sec. 5, 72 Stat. 385; E.O. 11222, 30 F.R. 6469, 3 CFR, 1965 Supp.; 5 CFR 735.104.

§ 105.735-1 Purpose and scope.

This part prescribes standards of conduct for all employees and special Government employees of the Small Business Administration relating to possible conflicts between their official duties or the public interest and private interests and between their personal opinions and Government policy. Public office and public employment are public trusts. Strict observance by all employees and special Government employees of the following principles is essential for the functions of the Small Business Administration to be performed efficiently without bias or favoritism.

§ 105.735-2 Definitions.

As used in this part:

(a) "Administration" shall mean the Small Business Administration.

(b) "Administrator" shall mean the Administrator of the Small Business Administration.

(c) "Employee" shall mean an officer or employee of the Small Business Administration, regardless of his or her grade, status or place of employment, including employees on leave with pay or on leave without pay other than extended military leave.

(d) "Special Government employee" shall mean an officer or employee of the Small Business Administration, who is retained, designated, appointed, or employed to perform, with or without compensation, for not to exceed 130 days during any period of 365 consecutive days, temporary duties either on a full-time or intermittent basis. Members of Small Business Advisory Councils are not included in this definition.

(e) "Department" shall mean any department, agency, independent establishment, or wholly owned corporation of the U.S. Government.

(f) "Government" shall mean the Government of the United States; "United States" shall mean the Government of the United States.

§ 105.735-3 Conflicts of interests between private interests of third parties and the Government.

Although the function of the Administration is to aid, assist, counsel, and protect small business concerns, such aid and assistance is to be rendered only within the authorization granted by law. Under no circumstances shall employees, in cases of conflicts between their private interests or the private interests of third parties and the interests of the Government, derogate from their total and complete loyalty to the interests of the Government.

§ 105.735-3-1 Former employees.

(a) No employee, or special Government employee, shall, within 1 year after his employment has ceased with the Administration appear personally before any court or department as agent, or attorney for, anyone other than the United States in connection with any proceeding, application, request for a ruling or other determination, contract, claim, controversy, charge, accusation, arrest, or other particular matter, involving a specific party or parties, in which the United States is a party or directly and substantially interested, and which was under his official responsibility as an officer, employee, or special Government employee of the Administration at any time within a period of 1 year prior to the termination of such responsibility. 18 U.S.C. 207 makes such an act a criminal offense.

(b) No employee or special Government employee shall ever after his employment has ceased, knowingly act as agent or attorney for anyone other than the United States in connection with any judicial or other proceeding, application, request for a ruling, or other determination, contract, claim, controversy, charge, accusation, arrest, or other particular matter, involving a specific party or parties, in which the United States is a party or has a direct and substantial interest and in which he participated personally and substantially as officer, employee, or special Government employee, through decision, approval, disapproval, recommendation, the rendering of advice, investigation, or otherwise, while so employed. 18 U.S.C. 207 makes such an act a criminal offense.

(c) A former employee or a former special Government employee, who has outstanding scientific or technological qualifications, may, paragraphs (a) and (b) of this section notwithstanding, act as attorney or agent or appear personally in connection with a particular matter within the Administration in a scientific or technological field provided the Administrator first certifies in writing, published in the FEDERAL REGISTER, that the national interest would be served by such action or appearance by the former employee.

(d) A former employee who occupied a position or engaged in activities involving discretion with respect to the granting of assistance under the Small Business Act, as amended, or the Small Business Investment Act of 1958, as amended, is disqualified from accepting any employment with or being retained by any business concern which has been given assistance by the Administration, for a period of 2 years following the date of such assistance if such date falls within the period of his employment with the Administration or within a year after such employment has ceased. All clerical positions in the Administration and all nonclerical positions in the Office of Assistant Administrator for Administration and in offices thereunder, are determined to be positions and activities which do not involve discretion with respect to the granting of assistance under the Small Business Act, as amended, and the Small Business Investment Act of 1958, as amended. The discretionary nature of the position and activities of other employees shall be determined by the Administrator at such time as the employee terminates his employment with the Small Business Administration.

§ 105.735-3-2 Present employees and claims against or business with the Government.

(a) No employee, otherwise than in the proper discharge of his official duties shall act as agent or attorney for prosecuting any claim against the United States or receive any gratuity, or any share of or interest in any such claim in consideration of assistance in the prosecution of such claim; nor shall he act as agent or attorney for anyone before any department, agency, court-martial officer, or any civil, military, or naval commission in connection with any proceeding, application, request for a ruling, or other determination, contract, claim, controversy, charge, accusation, arrest, or other particular matter in which the United States is a party or has a direct and substantial interest; nor shall he ask for nor receive any compensation, otherwise than as provided by law for the proper discharge of official duties, for any services rendered or to be rendered by himself or another in relation to such matters. 18 U.S.C. 203 and 205 make such activity a criminal offense.

(b) A special Government employee shall be subject to paragraph (a) of this section only in relation to a particular matter, involving a specific party or parties,

(1) In which he has at any time participated personally and substantially as an employee or as a special Government employee through decision, approval, disapproval, recommendation, the rendering of advice, investigation or otherwise, or

(2) Which is pending in the Administration while he is serving as such special Government employee. 18 U.S.C. 205 provides criminal penalties for such activities.

(c) A special employee who has served no more than 60 days in the Administration during the immediately preceding period of 365 consecutive days is subject to all the limitations of paragraph (b) of this section except subparagraph (2) of paragraph (b) of this section.

(d) Notwithstanding the provisions of paragraphs (a), (b), and (c) of this section.

(1) If the Director of Personnel approves, an employee or special Government employee may act, with or without compensation, as agent or attorney for his parents, spouse, child, or any person for whom, or for any estate for which, he is serving as guardian, executor, administrator, trustee, or other personal fiduciary except in those matters in which he has participated personally and substantially as an employee, or special Government employee through decision, approval, disapproval, recommendation, the rendering of advice, investigation, or otherwise, or which are the subject of his official responsibility. Prior to granting such approval the Director of Personnel shall obtain the advice of the Ad Hoc Committee (established by § 105.735-10) concerning the propriety of granting the approval.

(2) An employee, if not inconsistent with the faithful performance of his duties, may act without compensation as agent or attorney for any person who is the subject of disciplinary, loyalty, or other personnel administration proceedings in connection with those proceedings.

(e) A special Government employee may act as agent or attorney for another person in the performance of work under a grant by, or a contract with or for the benefit of, the United States: *Provided*, That—

(1) The approval of such employment is received from the Director of Personnel,

(2) The head of the department concerned with the grant or contract certifies in writing that the national interests so requires, and

(3) Such certification is published in the FEDERAL REGISTER.

(f) No employee or special Government employee shall participate in any business transaction with the Administration, directly or indirectly, as an agent, representative, attorney, partner or principal, except as may be authorized by this section and § 105.735-4-3.

(g) No employee or special Government employee shall recommend or suggest the use of any individual, firm, corporation, or other nongovernmental entity offering any service as consultant, agent, representative, attorney, expediter, or "specialist," for the purpose of assisting in any negotiations, transactions, or other business with the Administration or with any other Government department.

§ 105.735-3-3 Gratuities or compensation from non-Government sources.

(a) No employee shall receive any salary, contribution to or supplementation of salary, as compensation for his services as an employee of the Administration from any source other than the Government except as may be authorized by law. 18 U.S.C. 209 provides criminal penalties for doing so.

(b) Special Government employees and employees serving without compensation are exempt from the provisions of paragraph (a) of this section.

(c) Employees may, notwithstanding the provisions of paragraph (a) of this section, continue to participate in a bona fide pension, retirement, group life, health or accident insurance, profit-sharing, stock bonus, or other employee welfare or benefit plan maintained by a former employer; provided that, in respect to profit-sharing and stock bonus participation, the Ad Hoc Committee (established by § 105.735-10) determine that such participation by the employee will not interfere with the performance of his duties.

(d) No employee, or special Government employee, shall ask, demand, exact, solicit, seek, accept, receive, or agree to receive anything of value for himself or for any other person or entity, in return for being influenced in his performance of any official act, for being influenced to commit or aid in committing, or to collude in, or allow, any fraud, or make opportunity for the commission of any fraud, on the United States or for being induced to do or omit to do any act in violation of his official duty. 18 U.S.C. 201 provides criminal penalties for such actions.

(e) No employee shall solicit or receive a bribe of any kind to support or influence decisions for the hiring of any person as an employee in the Government. 18 U.S.C. 211 makes such activity a criminal offense.

(f) Except as provided in paragraph (g) of this section, no employee, nor member of his or her household, shall solicit or accept, directly or indirectly, any gift, gratuity, favor, entertainment, loan, or any other thing of monetary value, from a person who:

(1) Has, or is seeking to obtain, financial assistance, a certificate of competency, a small business investment company license, or any other contractual or other business or financial relations with the Administration;

(2) Is an officer, director, or owner of a financial institution which participates with the Administration in the agency loan program;

(3) Conducts operations or activities regulated by the Administration; or

(4) Has interests that may be substantially affected by the performance or nonperformance of the employee's official duty.

(g) The prohibitions of paragraph (f) of this section shall not apply to:

(1) Gifts, entertainment, and favors received from members of the employee's family when the circumstances make it clear that it is the family relationship rather than the business of the persons concerned which are the motivating factors;

(2) The acceptance of food and refreshments of nominal value on infrequent occasions in the ordinary course of a luncheon or dinner meeting or other meeting or on an inspection tour where an employee may properly be in attendance;

(3) The acceptance of loans from banks or other financial institutions on customary terms to finance proper and usual activities of employees, such as home mortgage loans and auto financing;

(4) The acceptance of unsolicited advertising or promotional material, such as pens, pencils, note pads, calendars, and other items of nominal intrinsic value, provided the employee informs his immediate supervisor by written memorandum of the acceptance of such item. In the event the supervisor questions the intrinsic value of the items involved, he shall refer the matter to the Ad Hoc Committee (established by § 105.735-10) for consideration.

(h) No employee shall engage in any action, whether or not specifically prohibited, which might result in, or create the appearance of:

(1) Using public office for private gain;

(2) Giving preferential treatment to any person or concern;

(3) Impeding Government efficiency or economy;

(4) Losing complete independence or impartiality;

(5) Making a Government decision outside official channels; or

(6) Affecting adversely the confidence of the public in the integrity of the Government.

(i) No employee shall solicit contributions from another employee for a gift to an employee in a superior official position. No employee in a superior official position shall accept a gift presented as a contribution from employees receiving less salary than himself. No employee shall make a donation as a gift to an employee in a superior official position.

(j) No employee shall accept a gift, present, decoration or other thing from a foreign government unless authorized by Congress as provided by the Constitution and in 5 U.S.C. 114-115a.

§ 105.735-3-4 Preferential treatment to private interests.

No employee or special Government employee in the conduct of official business shall afford preferential treatment to any person, firm, corporation or other entity.

§ 105.735-4 Conflicts between personal or pecuinary interests of employees and the Government.

The interest of the Government must remain paramount and take precedence over the personal pecuniary interests of all employees. The employee does not function as an individual but merely as a representative or arm of the Government. An employee whose individual pecuniary interests conflict with and take precedence over the interests of the Government is unable to honorably discharge his responsibilities.

§ 105.735-4-1 Purchase and holding of securities of small business investment companies.

(a) For the purposes of this section employees are considered to have sufficient interest in the purchases by and holdings of their spouses or by other members of their household so that such purchases or holdings are subject to the terms of this section.

(b) No employee shall purchase or otherwise acquire or own or hold, directly or indirectly, any interest in or securities issued by a small business investment company licensed by the Administration under the provisions of the Small Business Investment Act of 1958, as amended.

(c) No employee shall own stock or have an interest in a concern or organization which owns stock or other interest in a small business investment company, described in paragraph (b) of this section, when:

(1) Such employee, spouse or any member of his or her household, participates in the management of or participates directly or indirectly, in the selection of investments for or by such concern or organization; or

(2) Such employee, spouse or member of his or her household, owns 1 percent or more of the stock of, or interest in, such concern or organization; or

(3) The concern or organization invests more than 10 percent of its assets in any one or several small business investment companies:

Provided, however, That investment by an employee, his or her spouse, or any member of his or her household in a diversified open-end management investment company as defined by section 5 of the Investment Company Act of 1940 (15 U.S.C. 80a-5) shall be exempt from the restrictions contained in subparagraphs (2) and (3) of this paragraph.

(d) Any employee who is a trustee or other fiduciary or a beneficiary of a trust or estate holding securities of licensed small business investment companies shall report the existence and nature of such trust or estate to the Director of Personnel. The transactions of such trust or estate shall be subject to the provisions of this regulation, except in situations where the employee is solely a beneficiary and has no power to control, and does not in fact control or advise with respect to the investments of the trust or estate, and except to the extent that the Administrator shall otherwise direct in view of the circumstances of the particular case.

(e) All employees at the time of their entrance on duty, shall sign and deliver to their Office Director, a certification in the following form:

I certify that I have read the regulation of the Small Business Administration concerning the conduct of employees of the SBA with respect to the purchase and holding of securities issued by licensed small business investment companies and that, as such employee, I do not own or hold, directly or indirectly, any securities of such a licensed small business investment company.

§ 105.735-4-2 Interest in firms receiving Administration assistance and other firms.

(a) No employee, his spouse, nor members of his immediate household shall purchase or otherwise acquire any interest, as a stockholder or otherwise, in any concern while an application of such concern for assistance from the Administration is pending and for a period of two years after such assistance is granted, regardless of whether the concern is a publicly held corporation.

(b) No employee, or special Government employee, shall participate personally and substantially as an Administration employee or special Government employee, through decision, approval, disapproval, recommendation, the rendering of advice, investigation, or otherwise, in a judicial or other proceeding application, request for a ruling or other determination, contract, claim, controversy, charge, accusation, arrest, or other particular matter in which, to his knowledge, he, his spouse, minor child, partner, organization in which he is serving as officer, director, trustee, partner or employee, or any person or organization with whom he is negotiating or has any arrangement concerning prospective employment, has a financial interest without:

(1) Making a full disclosure of the facts to the Ad Hoc Committee (established by Sec. 105.735-10), and

(2) Obtaining a written determination by the Administrator that such financial interest is not so substantial as to be deemed likely to affect the integrity of the services which the Government may expect from such employee or special Government employee. 18 U.S.C. 208 makes noncompliance a criminal offense.

(c) For the purposes of 18 U.S.C. 208 and paragraph (b) of this section, any financial interest on the part of persons referred to therein is hereby determined to be not so substantial as to be deemed likely to affect the integrity of the services which the Government may expect from any employee or special Government empoyee when such financial interest results from a creditor relationship to a concern wherein the indebtedness is not in excess of $10,000 or when such financial interest results from an ownership interest of less than one percent in any concern in which such ownership interest amounts to less than $10,000 in equity investment. Computations of dollar-value of stock holdings in corporations for purposes of this paragraph shall be (1) by means of market value in the case of stocks listed on national exchanges, (2) by means of over-the-counter market quotations as reported by the National Daily Quotation Service in the case of unlisted stocks and (3) by means of sound book value in the case of stocks not in the preceding two categories.

§ 105.735-4-3 Assistance by the Administration to businesses owned or managed by officers, employees or special employees of the Government or members of Small Business Advisory Councils.

(a) No assistance, other than disaster loans, shall be furnished to a business enterprise when the sole proprietor, a partner, an officer or director thereof, or a stockholder with a ten or more percent interest therein:

(1) Is (i) an employee of the Administration or an employee in GS-13 or its equivalent, or higher, of any other department in the executive branch, or (ii) an officer of the rank of major or lieutenant commander or its equivalent, or higher, in the Armed Services of the United States, or (iii) an appointed consultant or special Government employee of the Administration, or a member of a Small Business Advisory Council, or (iv) a spouse of any of the above, without the prior approval of the Ad Hoc Committee (established by § 105.735-10).

(2) Is (i) an employee in Grade GS-12 or its equivalent or lower, of any other department in the executive branch, or (ii) a member of the Armed Services of the United States of the rank of captain or lieutenant senior grade, or its equivalent, or lower, or (iii) a spouse of any of the above, without prior written statement of no objection by the pertinent department or Armed Services of the United States.

(b) No assistance shall be furnished to a business enterprise when the proceeds of such assistance shall inure, directly or indirectly, to the benefit of an employee, without the prior approval of the Ad Hoc Committee (established by sec. 105.735-10).

§ 105.735-4-4 Use of Government equipment, property and supplies.

(a) No employee shall use any Government vehicle for other than official purposes. 5 U.S.C. 78 (c)(2) makes employees guilty of such activity subject to suspension from duty or removal from employment.

(b) No employee shall use official penalty mail for personal business. 39 U.S.C. 4152, 4153 prohibits such use.

(c) No employee shall use Government property of any kind for other than officially approved activities. Employees also have a positive responsibility to protect and conserve all Government property including equipment and supplies, which is entrusted or issued to them.

§ 105.735-4-5 Conversion, distortion of records.

(a) No employee shall embezzle or convert to his own use money or property of another coming into his possession, or public monies of any kind or intentionally make false or fictitious entries in accounts or records which he is charged to keep. 18 U.S.C. 643, 654, 2073 make these activities a criminal offense.

(b) No employee who has custody of any map, book, document, paper, or thing filed in a public office shall remove, mutilate, obliterate, falsify, or destroy the same. 18 U.S.C. 2071(b) makes these acts criminal offenses.

§ 105.735–4–6 **Outside employment.**

(a) Except upon written approval of the Director of Personnel or his designee, no employee shall engage in any outside employment, business, or vocation.

(b) While employees are encouraged to engage in teaching, lecturing and writing that is not prohibited by law, or the regulations in this part, no approval shall be granted and no employee shall, either for or without compensation, engage in teaching, lecturing, or writing that is dependent on information obtained as a a result of his Government employment, except when that information has been made available to the general public or will be made available on request, or when the Administrator gives written authorization for the use of nonpublic information on the basis that the use is in the public interest.

(c) No employee shall engage in outside employment or other outside activity not compatible with the full and proper discharge of the duties and responsibilities of his Government employment. Incompatible activities include, but are not limited to:

(1) Acceptance of a fee, compensation, gift, payment of expense, or any other thing of monetary value in circumstances in which acceptance may result in, or create the appearance of, a conflict of interest; or

(2) Outside employment which tends to impair an employee's mental or physical capacity to perform his Government duties and responsibilities in an acceptable manner.

(d) No employee shall engage in outside employment under a State or local government except in accordance with Part 734 of the CSC Regulations (5 CFR Part 734) and with the express approval of the Ad Hoc Committee (established by Sec. 105.735–10).

(e) This section does not preclude an employee from:

(1) Participation in the activities of national or State political parties not proscribed by law.

(2) Participation in the affairs of or acceptance of an award for a meritorious public contribution or achievement given by a charitable, religious, professional, social, fraternal, nonprofit educational and recreational, public service, or civic organization.

(3) Receipt of bona fide reimbursement, unless prohibited by law, for actual expenses for travel and such other necessary subsistence as is compatible with this part for which no Government payment or reimbursement is made. However, an employee may not be reimbursed, and payment may not be made on his behalf for excessive personal living expenses, gifts, entertainment or other personal benefits.

§ 105.735–4–7 **Employees required to submit statements of employment and financial interests.**

(a) Statements of employment and financial interests shall be submitted by:

(1) All employees paid at a level of the Federal Executive Salary Schedule established by the Federal Executive Salary Act of 1964, as amended.

(2) All employees in Grade GS–16 or above of the General Schedule established by the Classification Act of 1949, as amended.

(3) All Area Administrators, Regional Directors and Branch Managers.

(4) All Special Assistants, Confidential Assistants and Principal Secretaries to the Administrator, Executive Administrator, Deputy Administrator, Assistant Administrator, Area Administrators and Regional Directors.

(5) All economists, attorneys, investigators, financial specialists, investment examiners, industrial specialists, production specialists, loan specialists, valuation engineers, appraisers, OEO program officers, without regard to grade, except trainees.

(6) All hearing examiners and contracting officers.

(b) Statements of employment and financial interests shall be submitted not later than 90 days after the effective date of this section by all employees required to submit such statements if employed on or before the said effective date. Employees subject to this section who are employed after the effective date of this section shall submit such statements within 30 days after entrance on duty.

(c) Statements of employment and financial interests shall be submitted to the Standards of Conduct Counselor through the submitting employee's immediate supervisor who is responsible for his work assignments. Each such statement shall be held in confidence and no information therefrom may be disclosed except as the Civil Service Commission or the Administrator may determine for good cause shown.

(d) Changes in, or additions to, the information contained in such statement shall be reported in a supplementary statement at the end of the quarter in which changes occur. Quarters end March 31, June 30, September 30, and December 31. If there are no changes or additions in a quarter, a negative report is not required. However, for the purpose of annual review, a supplementary statement, negative or otherwise, is required as of June 30 of each year.

(e) The interests of a spouse, minor child, or other member of an employee's immediate household is considered to be an interest of the employee. For the purpose of this section, "member of an employee's immediate household" means those blood relations who are residents of the employee's household.

(f) If any information required to be included on a statement of employment and financial interests or supplementary statement, including holdings placed in trust, is not known to the employee but is known to another person, the employee shall request that other person to submit information in his behalf.

(g) The statements of employment and financial interests required under this section for use by employees shall contain the information required by the format prescribed by the Civil Service Commission on page 735–D–3 in Appendix D to Part 735 of the Federal Personnel Manual. Agency forms may be obtained from field administrative officers and the Office of Personnel in Washington.

(h) This section does not require an employee to submit on a statement of employment and financial interests or supplementary statement any information relating to the employee's connection with, or interest in, a professional society or a charitable, religious, social, fraternal, recreational, public service, civic, or political organization or a similar organization not conducted as a business enterprise. For the purpose of this section, educational and other institutions doing research and development or related work involving grants of money from or contracts with the Government are deemed "business enterprises" and are required to be included in an employee's statement of employment and financial interests.

(i) The statements of employment and financial interests and supplementary statements required of employees are in addition to, and not in substitution for, or in derogation of, any similar requirement imposed by law, order, or regulation. The submission of a statement or supplementary statement by an employee does not permit him or any other person to participate in a matter in which his or the other person's participation is prohibited by law, order, or regulation.

§ 105.735–4–8 **Special Government employees required to submit statements of employment and financial interests.**

(a) Each special Government employee shall submit a statement of employment and financial interests containing the following information:

(1) All other employment, and

(2) Those financial interests which relate either directly or indirectly to the duties and responsibilities of the special Government employee.

(b) Such statement shall be submitted to the Standards of Conduct Counselor not later than the time of employment of the special Government employee. Each special Government employee shall keep his statement current throughout his employment by the submission of supplementary statements as provided in § 105.735–4–7(d).

§ 105.735–4–9 **Conduct of special Government employees.**

(a) In addition to other rules of conduct provided for special Government employees in this part, no special Government employee shall use his Government employment for a purpose that is, or gives the appearance of being, motivated by the desire for private gain for himself or another person, particularly one with whom he has family, business or financial ties.

(b) No special Government employee shall use inside information obtained as a result of his Government employment for private gain for himself or another person either by direct action on his part or by counsel, recommendation, or suggestion to another person, particularly one with whom he has family, business or financial ties. For the purpose of this section, "inside information" means information obtained under Government authority which has not become part of the body of public information. A special Government employee may teach, lecture or write in a manner not inconsistent with § 105.735-4-6(b).

(c) No special Government employee shall use his Government employment to coerce, or give the appearance of coercing, a person to provide financial benefit to himself or another person, particularly one with whom he has family, business or financial ties.

(d) No special Government employee, while so employed or in connection with his employment, shall receive or solicit from anyone having business with the Administration anything of value as a gift, gratuity, loan, entertainment, or favor for himself or another person, particularly one with whom he has family, business or financial ties.

(e) The exemptions cited in paragraph (g) of § 105.735-3-3 relating to employees are also applicable as exemptions for special Government employees to the prohibitions of paragraph (d) of this section.

§ 105.735-4-10 Review of Statements of Employment and Financial Interests.

Statements of employment and financial interests and supplementary statements thereto shall be reviewed first by the submitting employee's immediate supervisor who is responsible for his work assignments and then by the Standards of Conduct Counselor who is the designee under the provisions of § 735.105 of the Civil Service Commission Regulations (5 CFR Part 735). The supervisor shall note any real or apparent conflict of interest disclosed in such statements and supplements submitted to him and bring the matter or matters to the attention of the Standards of Conduct Counselor at the time that the statement or supplement is forwarded to him. The Counselor shall determine when and how any employee or special Government employee shall be provided an opportunity to explain any real or apparent conflict of interest disclosed by statements of employment and financial interests or revealed by information from other sources. The opportunity to explain shall in all cases be provided an employee or special Government employee concerned. In the event the conflict, real or apparent, is not resolved at a lower level, the Standards of Conduct Counselor shall present the entire matter to the Ad Hoc Committee (established by § 105.735-10). The Ad Hoc Committee (established by § 105.735-10) shall report the matter, together with its recommendations, to the Administrator.

§ 105.735-5 Conflicts between personal opinions of employees and Government policy.

In the conduct of all official business, personal opinions of every Government employee must necessarily be completely subordinated to established Government policy relating to Administration programs. Every act of an employee in the discharge of official duties and responsibilities may become an act of the U.S. Government.

§ 105.735-5-1 Political activity, influence or coercion of or by employees.

(a) No employee shall use his official authority or influence to coerce the political action of any person or body nor may any employee, except the Administrator, take any active part in political management or political campaigns. 5 U.S.C. 633(2)6, 118i make such activity unlawful.

(b) No employee shall use his official authority to interfere with or affect the nomination or election of any candidate for President, Vice President, presidential elector, U.S. Senator or Congressman. 18 U.S.C. 595 makes such activity a criminal offense.

§ 105.735-5-2 Subversiveness and communism.

(a) No employee shall advocate the overthrow of our constitutional form of government by force or violence or knowingly be a member of an organization which so advocates nor shall any person convicted of such conduct be employed by the Administration for at least 5 years after such conviction. 5 U.S.C. 118p, 118r; 18 U.S.C. 2385 provide penalties for such actions.

(b) No employee shall conceal or fail to disclose that he is a member of a registered Communist organization, Communist action organization, Communist infiltrated organization, nor shall any employee with knowledge that such organization is registered as such contribute funds or services to such organization. 50 U.S.C. 784 makes such concealment or contribution unlawful.

§ 105.735-5-3 Striking against the Government.

No employee shall assert the right to strike against the Government or knowingly be a member of an organization of Government employees asserting such right. 5 U.S.C. 118p, 118r also make such employee subject to fine and imprisonment.

§ 105.735-5-4 Discrimination.

(a) No employee shall discriminate against or in favor of any employee or any applicant for employment in the Government because of race, color, religion, sex, national origin, political opinions, marital status, or physical handicaps, nor shall any employee make any inquiries concerning the race, political affiliation or religious beliefs of any employee or any applicant for employment.

(b) No employee shall discriminate, in the conduct of the business of the Administration, against any person, firm, enterprise or other entity because of race, color, sex, religion, national origin or political opinions.

§ 105.735-6 Information and data.

(a) No employee shall communicate to any other person whom the employee knows or has reason to believe to be an agent or representative of any foreign government or an official or member of any Communist organization any information classified by the President or the Administrator as affecting the security of the U.S. Government. 50 U.S.C. 783 makes such act a criminal offense and provides heavy penalties therefor.

(b) No employee shall divulge or disclose any official information not authorized by law relating to trade secrets, processes, operations, style of work or apparatus or identity, confidential statistical data, amount or source of income, profits, losses of any person or firm. 18 U.S.C. 1905 makes such activity a criminal offense.

(c) No employee or special Government employee shall give any unauthorized information concerning any future action or plan of the Administration which might affect the value of securities, or, having such knowledge, invests or speculates, directly or indirectly, in the securities or property of any company or corporation receiving loans or other assistance from the Administration. Section 16(b) of the Small Business Act makes such activity a criminal offense and provides for heavy penalties.

(d) No employee shall, for the purpose of furthering a private interest, except as provided in § 105.735-4-6(b), directly or indirectly, use or allow the use of official information obtained through or in connection with the employee's Government employment which has not been made available to the general public.

(e) Additional regulations concerning disclosure of information are to be found in Part 102 of this chapter.

§ 105.735-7 Duty to report irregularities.

Each employee shall immediately report to the Director, Office of Personnel, any apparent or suspected irregularities coming to his attention in connection with the performance by this Administration of any of its activities.

§ 105.735-8 General standard of conduct.

(a) No employee shall engage in criminal, infamous, dishonest, immoral, or notoriously disgraceful conduct, or other conduct prejudicial to the Government. Furthermore, each employee shall conduct himself in such manner that the work of the Administration is effectively accomplished and must also observe the requirements of courtesy, consideration, and promptness in dealing with or serving the public or the clientele of the Administration.

(b) No employee or special Government employee shall participate, while on Government-owned or leased property or while on duty for the Government, in any gambling activity including the operation of a gambling device, in conducting a lottery or pool, in a game for money or property, or in selling or purchasing a numbers slip or ticket. However, this paragraph does not preclude activities:

(1) Conducted by employee organizations among their own members for organizational support or for benefit or welfare funds for their members under policies and procedures approved by the Administrator.

(c) Each employee shall pay each just financial obligation in a proper and timely manner, especially one imposed by law such as Federal, State or local taxes. For the purpose of this paragraph, a "just financial obligation" means one acknowledged by the employee or reduced to judgment by a court, and "in a proper and timely manner" means in a manner which the Director of Personnel determines does not, under the circumstances, reflect adversely on the Administration as employer. In the event of dispute between an employee and an alleged creditor, this section does not require the Administration to determine the validity or amount of the disputed debt.

§ 105.735–9 **Penalties.**

(a) Any employee guilty of violating any of the above provisions may be subject to disciplinary action, including suspension or dismissal from employment with the Administration, in addition to other penalties provided by law.

(b) When, after consideration of the explanation of the employee or special Government employee provided by § 105.735–4–10, the Administrator decides remedial action is required, such remedial action may include, but is not limited to:

(1) Changes in assigned duties;

(2) Divestment by the employee or special Government employee of his conflicting interest;

(3) Disciplinary action; or

(4) Disqualification for a particular assignment.

§ 105.735–10 **Ad Hoc Committee.**

An Ad Hoc Committee composed of the General Counsel, serving as Chairman thereof, the Assistant Administrator for Administration and the Director, Office of Public Information, shall advise and aid the Administrator in the promulgation and administration of pertinent conflict of interest agency regulations, and in the determination of specific instances of possible conflicts of interests, including the requirements of §§ 105.735–4–2, 105.735–4–3 and 105.735–4–10. The Director, Office of Audits, shall be an alternate member of the Ad Hoc Committee to serve in the absence or disability of a member of the Committee, or in the event a member of the Committee is otherwise disqualified to act. All requests for determinations, whenever necessary, under these standards of conduct shall be addressed through proper channels to this Committee.

§ 105.735–11 **Statutory provisions.**

The attention of all employees and special Government employees is directed to the following statutory provisions:

(a) House Concurrent Resolution 175, 85th Congress, 2d Session, 72 Stat. 312, the "Code of Ethics for Government Service."

(b) Chapter 11 of Title 18, United States Code, relating to bribery, graft, and conflicts of interest, as appropriate to the employees concerned.

(c) The prohibition against lobbying with appropriated funds (18 U.S.C. 1913).

(d) The prohibition against disloyalty and striking (5 U.S.C. 118p, 118r).

(e) The prohibition against the employment of a member of a Communist organization (50 U.S.C. 784).

(f) The prohibitions against (1) the disclosure of classified information (18 U.S.C. 798, 50 U.S.C. 783); and (2) the disclosure of confidential information (18 U.S.C. 1905).

(g) The provision relating to the habitual use of intoxicants to excess (5 U.S.C. 640).

(h) The prohibition against the misuse of a Government vehicle (5 U.S.C. 78c).

(i) The prohibition against the misuse of the franking privilege (18 U.S.C. 1719).

(j) The prohibition against the use of deceit in an examination or personnel action in connection with Government employment (5 U.S.C. 637).

(k) The prohibition against fraud or false statements in a Government matter (18 U.S.C. 1001).

(l) The prohibition against mutilating or destroying a public record (18 U.S.C. 2071).

(m) The prohibition against counterfeiting and forging transportation requests (18 U.S.C. 508).

(n) The prohibitions against (1) embezzlement of Government money or property (18 U.S.C. 641); (2) failing to account for public money (18 U.S.C. 643); and (3) embezzlement of the money or property of another person in the possession of an employee by reason of his employment (18 U.S.C. 654).

(o) The prohibition against unauthorized use of documents relating to claims from or by the Government (18 U.S.C. 285).

(p) The prohibition against proscribed political activities, The Hatch Act (5 U.S.C. 118i), and 18 U.S.C. 602, 603, 607, and 608.

(q) The prohibitions against (1) embezzling or misapplying funds and securities, (2) making false reports with intent to defraud, (3) receiving money or profit fraudulently through any act of the Administration and (4) making profit out of information about value of securities of companies receiving assistance (15 U.S.C. 635).

Dated: March 11, 1966.

This Part 105 was approved by the Civil Service Commission on February 4, 1966.

Effective date. This Part 105 shall become effective upon publication in the FEDERAL REGISTER.

ROSS D. DAVIS,
Executive Administrator.

[F.R. Doc. 66-2917; Filed, Mar. 18, 1966; 8:46 a.m.]

Title 21—FOOD AND DRUGS

Chapter I—Food and Drug Administration, Department of Health, Education, and Welfare

SUBCHAPTER B—FOOD AND FOOD PRODUCTS

PART 5—FOOD; EXEMPTIONS FROM LABELING REQUIREMENTS

Egg Products Shipped for Pasteurization or Other Treatment To Destroy Salmonella Organisms

There was published in the FEDERAL REGISTER of August 21, 1965 (30 F.R. 10905), a notice proposing to amend the identity standards for whole egg products and yolk products and to establish definitions and standards of identity for liquid, frozen, and dried egg white products. These proposals were for the purpose of requiring egg products to be pasteurized or otherwise treated to destroy all viable *Salmonella* microorganisms. The order ruling on these proposals, which is being separately published in this issue of the FEDERAL REGISTER, does not deal with all the questions raised in the received comments.

The Mayonnaise & Salad Dressing Institute, Corn Products Co., and Kraft Foods Division of the National Dairy Products Corp. in a joint comment filed in response to the cited proposals suggested that eggs broken from the shell and used in dressings in the same plant in which such eggs are broken should not be required to be pasteurized before being used in "acidified dressings." The comment indicated that by "acidified dressings" they meant mayonnaise, salad dressing, french dressing, and nonstandardized dressings, provided that the pH of these foods is not above 4.1 and the acidity of the aqueous phase, expressed as acetic acid, is not less than 1.4 percent. Included also was a request for an exemption from the pasteurization requirement for egg products intended for use in "acidified dressing" when the egg products are obtained from other establishments. Data were submitted to indicate that there is no danger to health, as regards viable *Salmonella* micro-organisms, from using nonpasteurized egg products in "acidified dressings." However, the comment did not furnish evidence to show that pasteurized egg products will not function effectively in these dressings.

The standards for mayonnaise, french dressing, and salad dressing (21 CFR 25.1, 25.2, 25.3) list certain egg ingredients and these are egg products for which standards have been promulgated. The practice of using shell eggs by dressing manufacturers has not been re-