

OUTLINE OF REMARKS BY ROBERT F. KELLER  
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1. Ethics - Webster says - "the discipline dealing with what is good and bad and with moral duty and obligation." or a "set of moral principles and values."

Using Webster's definition I can only conclude that ethics in Federal procurement, in actual practice, leaves much to be desired. We have all heard of the problems in GSA, and there are other cases in the procurement area where one can only conclude that ethics in the procurement process is low on the totem pole. I would quickly add that this is not an indictment of the entire procurement process. However, there have been enough improper and fraudulent practices to raise serious questions in the minds of the public as to credibility of the process and the Government employees involved. Speaking bluntly we hear: "Are they all a bunch of crooks?" I say "No" but we do have serious problems.

2. Government vs. Private Ethics. The press indications are that it is Government personnel that are the cause of the problem. In a way that is true where a Government official or employee accepts a bribe or a gratuity to perform an act or favor. He is performing a public trust.

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Yet I contend that in a one on one situation the private sector must accept equal responsibility. A bribe must be offered to be accepted. For example, I have seen little criticism in the press of the companies who bribed the GSA store managers. And, judging from an article which appeared recently in the Wall Street Journal on the handling of classified memorandum on a particular missile program there seemed to be a serious question of ethics on both sides. Can it be successfully argued that there should be two standards of ethics - one for the Government and one for the private sector?

3. **Actions Taken** - There have been a number of actions taken recently to help cure the problem. In addition to administrative measures that have been taken we now have Inspectors General in 14 departments and agencies and we have the Ethics in Government Act of 1978. This act requires:

a. Public disclosure of personal financial matters of all employees in grade GS-16 or above.

b. It amends section 207 of title 18 in these respects:

(a) An expansion in certain respects of the existing lifetime ban on a former employee being involved in a matter in which he participated personally as an officer or employee of the United States.

- (b) Expands to two years the bar on a former employee being involved in any matter which was pending under his official responsibility within a period of one year prior to the termination of such responsibility or in which he participated personally and substantially as an officer or employee of the U.S., and prohibits aid, counsel, advice, consultation or assisting in representing any other persons concerning any formal or informal appearance.
- (c) An entirely new one-year bar on any contract by a former official with his former agency or department on any matter that is pending before that agency or department.
- (d) Applies to GS-17s and above, and to Generals and flag officers, and others to be specifically designated by the Office of Government Ethics.

4. Problems - (a) The changes in law have created much concern on the part of Government officials. Many argue that the new law will prevent the Government from obtaining officials from the private sector to perform much needed work for limited periods. I don't know how much of a problem this will be. It will undoubtedly have some effect on the ability of the Government to recruit top officials from the private sector. Also, many think the public financial disclosure requirement will inhibit recruitment from the private sector.

5. What should be done:

1. Codes of Ethics should be strictly enforced by the departments and agencies.
2. Top management should set the example for all to follow.
3. Appropriate management controls should be established and enforced to prevent improper procurement practices.
4. Alleged irregularities should be promptly investigated and prosecuted where warranted, or other disciplinary actions taken.
5. All procurement courses, put on by the Government and by outside organizations, should include a section on ethics in Government procurement.
6. The private sector should develop a means to police itself through the adoption of Codes of Ethics in selling to the Government.