

NATIONAL INSTITUTES OF HEALTH

Conflicts of Interests/Standards of Ethical Conduct Fact Sheet For Positions Requiring Public Financial Disclosure

This fact sheet is intended to assist individuals seeking senior positions at the National Institutes of Health (NIH) to understand the ethics statutes and regulations governing the activities of Federal employees. If you agree to accept a job with NIH, you will be subject to the [Standards of Ethical Conduct for Employees of the Executive Branch](#), [Supplemental Standards of Ethical Conduct and Financial Disclosure Requirements for Employees of the Department of Health and Human Services](#), and conflict of interest statutes. The purpose of these Standards of Conduct is to provide guidelines for maintaining public trust and proper stewardship of public resources. The Standards and statutes encompass several topics, the most important of which are outlined below.

Conflict of Interest is identified as any action or decision in which an employee is substantially involved that will have a direct and predictable effect on a financial interest of the employee, spouse, minor child, or organization in which the employee serves as an officer, trustee, partner or employee. For example, if your job will give you authority to award grant or contract funds to an organization in which you have a current financial interest, your official actions could provide a financial benefit to you and, therefore, a conflict of interest would exist. Any possible conflict should be resolved in advance of your appointment so that you can carry out your responsibilities.

Activities with outside organizations: Participation with certain types of outside organizations can raise ethical concerns. Employees engaging in activities with outside organizations are responsible for avoiding conflicts of interest and refraining from participation in any activities that even appear to conflict with the policies, programs or operations of the NIH, DHHS, or the Executive Branch. For all NIH employees, compensated or uncompensated employment, including consulting and advisory or other board service, and compensated teaching, speaking, writing, or editing, is prohibited with or for the following entities:

- substantially affected organizations (defined to include biotechnology, pharmaceutical, medical device companies, and others with similar interests)
- hospitals, clinics, health maintenance organizations, or other health care providers
- health insurers
- educational institutions or non-profit independent research institutes which applied for or received NIH funding within the last 12 months, e.g., applicants, grantees, contractors, or CRADA partners
- self-employment activities that involve the sale or promotion of the services or products of the above entities

Some limited exceptions, such as clinical, medical, or health-related professional practice involving the provision of care to individual patients, may apply.

Employees are required to obtain prior review and approval of outside employment activities to ensure that there is no conflict with official responsibilities. Such activities are conducted outside normal working hours and without using government resources to complete the activity.

Sometimes there are activities with outside organizations that are more appropriately performed as part of your official responsibilities. These **official duty activities** are extensions of regularly assigned duties, are performed during regular working hours, and also require advance review and approval. Examples include serving as a Federal liaison to a professional organization or assisting other Federal agencies.

Pre-Employment Ethics Clearance and Public Financial Disclosure Reporting: If you are selected for a senior position, you will be contacted by an NIH ethics official to review your financial holdings and outside activities **before** you make a final decision to accept the offer of employment. You will be asked to complete a draft Public Financial Disclosure Report which will be used to identify any possible conflicts so they can be resolved in a satisfactory manner.

Senior* NIH employees who file public financial disclosure reports are prohibited from acquiring or holding financial interests, such as stock, in biotechnology, pharmaceutical, and medical device companies and others involved in the research, development, or manufacture of medical devices, equipment, preparations, treatments, or products above a combined total of \$15,000 per company. There is an exception for a financial interest, such as a pension or other employee benefit, arising from employment with a substantially affected organization and widely diversified, publicly traded mutual funds. Resolution of conflicts and receiving an ethics clearance prior to starting your new position may involve your disqualification from certain official actions, placing some assets in blind trust, divestiture of holdings, or discontinuation of conflicting outside activities. Employees who qualify may apply for a Certificate of Divestiture before selling in order to defer capital gains taxes. You will be required to submit the Public Financial Disclosure Report and receive ethics training annually after you begin employment.

* “Senior NIH employee” includes the individuals in the following positions: NIH Director and Deputy Director; NIH Office of the Director staff who report directly to the NIH Director; Institute and Center (IC) Directors, Deputy Directors, Scientific Directors, Clinical Directors, and Extramural Program Officials who report directly to the IC Director; and any employee of equivalent levels of decision-making responsibility who is so designated.

All of these issues should be discussed in depth with the Ethics Official to help you decide whether to accept employment at the NIH.

If you have any questions, please contact the [Deputy Ethics Counselor](#) or [Ethics Coordinator](#) in the Institute or Center to which you are applying. Other ethics information and their names are available on the NIH Ethics Program web site at: <http://ethics.od.nih.gov>.

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