



OFFICE OF THE DIRECTOR

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OFFICE OF PERSONNEL MANAGEMENT
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MEMORANDUM FOR LOCAL FEDERAL COORDINATING COMMITTEES
COMBINED FEDERAL CAMPAIGN

FROM: KAY COLES JAMES
DIRECTOR

SUBJECT: Integrity of the Process

As many of you may know, recent reports of various administrative practices by the National Capital Area United Way, which serves as the Principal Combined Fund Organization (PCFO) for the National Capital Area CFC, have led me to request that OPM's Inspector General conduct an audit of United Way's administration of CFC funds. While I do not expect the Inspector General's findings until later this month, there are several issues I want to bring to your attention as we begin this campaign season.

First, it is our responsibility as administrators of the Combined Federal Campaign to ensure that the management of CFC funds, at all levels, meets with the high standards expected by those generous Federal employees who participate annually in CFC campaigns. Nothing less than total accountability and transparency is needed to maintain the trust of donors and the stability of the program.

Second, I want to remind all LFCC members that they may not serve in any official capacity on the board of directors of any organization that serves the local CFC as its PCFO. Both the Justice Department and the Office of Government Ethics have issued opinions that 18 U.S.C. § 208(a) prohibits an officer or employee of the executive branch from participating as a government official in any particular matter in which an organization he or she is servng as officer, director, trustee, general partner or employee has a financial interest. This includes service on a board of an outside, non-profit agency. In the past, PCFOs have offered board membership to LFCC members as an acknowledgment of the relationship between the two organizations. It is specifically because of this acknowledgment that an inherent conflict exists.

LFCC members may serve on boards to non-profits only if their membership is an acknowledgment of an individual's personal efforts, interests or community ties. But even then a Federal employee must recuse himself or herself on matters related to their Federal employment. If you have specific questions concerning this issue, please contact OPM's Office of CFC Operations or the Office of the General Counsel.

The Combined Federal Campaign is a success in large part due to the commitment of people like you who give generously not only of their resources, but of their time. Your efforts are greatly appreciated not only by me, but the hundreds of thousands of beneficiaries of the Combined Federal Campaign. Please again be assured that I will communicate with you whenever information becomes available that will ensure the effective management of the Combined Federal Campaign.