**OGE Ethics Fundamentals Series**

**Applying 2640 Exemptions**

**Scenario Exercises**

**Instructions:** Work through each scenario to determine if any of the exemptions at 5 C.F.R. sections 2640. 201 and .202 would apply.

**Exercise 1:**

Your CIO will be working on various contracts for IT hardware, software and services. The CIO’s investment portfolio consists of:

 $200,000 invested in the Wells Fargo Advantage Endeavor Select Fund

 $12,000 invested in Vanguard Information Technology Index

 $65,000 invested in Ishares US Industrials

Do any exemptions apply? If so which?

Answer:

**Exercise 2:**

One of your employees will be assigned to work on a regulation to set standards to reduce harmful bacteria at facilities that manufacture frozen dinners.

The employee’s husband and her 12 year old son inherited $2,500 each in ConAgra stock last year when the employee’s father-in-law died. The employee also owns $12,000 worth of stock in Nestlé.

**Do any exemptions apply? If so, which?**

**Exercise 3:**

You investigate discrimination complaints in HUD’s Office of Fair Housing in the Philadelphia Regional Office. You previously worked for the City of Philadelphia and have retained an interest in its 457 Deferred Compensation Plan. One of your investments through the plan is in the T Rowe Price Real Estate Fund. It invests 80% of its assets in the equity securities of real estate companies.

**Do any exemptions apply? If so which?**

**Exercise 4:**

You are an attorney at the Consumer Product Safety Commission. Prior to that, you were in-house counsel at Sharpe Toys, Inc. Sharpe Toys provided its employees with a 401(k) plan administered by Integrity, Inc. Through that 401(k) you have selected various individual stock holdings. You are invested in $14,000 in XYZ Corp. Now CPSC has asked you to participate in litigation against XYZ Corp.

**Do any exemptions apply? If so which?**