

Difficulties with Divestiture

Questions

1. What are the potential ethics issues with the scenario?
2. What questions do you need to ask?
3. How do you resolve the ethics issues?
4. How do you divest the asset, if applicable?

Scenario #1

A candidate for a senior non-career position at the Department of Commerce. The potential employee is a partner in an engineering firm in West Virginia.

Scenario #2

A potential employee works for a government contractor. The agency wants to hire the potential employee to supervise the contract. After the job offer is accepted, the employee informs you that she owns stock in her former employer and can only sell it five years after she receives it.

Scenario #3

A potential employee owns a consulting business, Jane Smith LLC.

- Jane Smith LLC co-owns a cutting-edge business created to protect endangered wildlife.
- The potential employee will be taking responsibility for the U.S. Fish and Wildlife Service.
- The potential employee's business partner has the right to veto the sale of the filer's interest in the business.
- The potential employee's business partner said she will buy the employee out and stated: "because I know your unique and extraordinary skill set will greatly benefit DOI and the United States, I propose the following unconditional buy-out..."

Scenario #4

Dr. Sam Johnson is being considered for nomination to a senior position at the Veterans Health Administration (VHA), which oversees the delivery of care to more than 9 million enrolled Veterans. Dr. Johnson is the sole owner of a medical practice, Johnson Dermatology, LLC.

- Dr. Johnson is the only doctor at the practice.
- Dr. Johnson employs several physician assistants and a nurse practitioner to carry out the work of the practice.
- Dr. Johnson is the registered agent for the practice.

Scenario #5

The potential employee for HHS owns private equity funds.

- Two funds are focused on healthcare. The employee knows the holdings of one fund, but not the holdings of the other fund.
- The employee also owns a third private equity fund focused on pharmaceuticals. He knows the holdings of the third fund.
- Employee has capital commitments for all of the funds.

Scenario #6

A potential nominee for SEC Commissioner has an interest in a family investment advisory business both outright and through a family trust.

- The family trust benefits the nominee and her two siblings.
- The Nominee works at the firm that was started by her mother, the principal shareholder.