# **Rules and Regulations**

Federal Register Vol. 60, No. 112 Monday, June 12, 1995

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# FARM CREDIT SYSTEM INSURANCE CORPORATION

## 5 CFR Part 4001

#### 12 CFR Part 1401

RIN 3055-AA03, 3209-AA15

# Supplemental Standards of Ethical Conduct for Employees of the Farm Credit System Insurance Corporation

**AGENCY:** Farm Credit System Insurance Corporation (Corporation). **ACTION:** Interim rule; request for comments.

SUMMARY: The Farm Credit System Insurance Corporation, with the concurrence of the Office of Government Ethics (OGE), is issuing as an interim rule regulations for the officers and employees of the Corporation that supplement the Standards of Ethical Conduct for Employees of the Executive Branch (Executive Branch-wide Standards) issued by OGE. The interim rule is a necessary supplement to the Executive Branch-wide Standards because it addresses ethical issues unique to Corporation programs and operations. Prior to the issuance of the interim rule, the Corporation had administratively adopted the Farm Credit Administration (FCA) standards of conduct regulations. The FCA, however, is issuing supplemental regulations to the Executive Branch-wide Standards that, when effective, will remove its conduct regulations except for a residual crossreference. This Corporation interim rule establishes regulations imposing prohibitions on the ownership of certain financial interests; prohibitions on certain forms of borrowing and extensions of credit; limitations on purchases of assets owned by Farm Credit System (System) institutions, conservatorship or receivership assets, or certain assets held by the

Corporation; restrictions arising from the employment of relatives; a prohibition against involvement in Farm Credit System board member elections: and restrictions on outside employment and business activities. In addition to this interim rule, the Corporation will be issuing a single section in its regulations that provides crossreferences to the Executive Branch-wide Standards and financial disclosure regulations, as well as these new supplemental regulations. DATES: This interim rule is effective July 12, 1995. Notice of effective date will be published in the Federal Register. Comments must be submitted on or before July 12, 1995.

ADDRESSES: Comments should be mailed or delivered (in triplicate) to Mary A. Creedon, Chief Operating Officer, in care of Cindy Nicholson, Farm Credit System Insurance Corporation, McLean, Virginia 22102– 0826. Copies of all comments will be available for examination by interested parties in the offices of the Farm Credit System Insurance Corporation.

#### FOR FURTHER INFORMATION CONTACT:

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or

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#### SUPPLEMENTARY INFORMATION:

# I. Background

On August 7, 1992, OGE published Executive Branch-wide Standards for employees of the executive branch. *See* 57 FR 35006–35067, as corrected at 57 FR 48557 and FR 52583, with additional grace period extensions at 59 FR 4779– 4780 and 60 FR 6390–6391. The Executive Branch-wide Standards are codified at 5 CFR part 2635. Effective February 3, 1993, they established uniform ethical conduct standards applicable to all executive branch personnel.

With the concurrence of OGE, 5 CFR 2635.105 authorizes executive branch agencies to publish agency-specific supplemental regulations necessary to implement their respective ethics programs. The Corporation, with OGE's

concurrence, has determined, in light of the Corporation's specialized functions as insurer, conservator, and receiver for Corporation-insured System institutions, that the following supplemental regulations being codified in new chapter XXX, consisting of part 4001, of title 5 of the Code of Federal Regulations, are necessary to implement the Corporation's ethics program successfully.

### II. Analysis of the Regulations

#### Section 4001.101-General

Section 4001.101 explains that the regulations contained in the interim rule apply to Corporation employees and supplement the Executive Branch-wide Standards. Corporation employees must comply with the Executive Branch-wide Standards, the supplemental regulations in this interim rule, and Corporation guidance and procedures issued pursuant to the Executive Branch-wide Standards and these supplemental regulations.

#### Section 4001.102—Definitions

Section 4001.102 identifies and defines the unique terms used in the supplemental regulations. The term "covered employee" is intended to include all examiners of System institutions who perform work for the Corporation and any other employee specified as such by Corporation directive whose duties and responsibilities require application of these supplemental regulations to ensure public confidence that the Corporation's programs are conducted impartially and objectively. The **Corporation Designated Agency Ethics** Official (DAEO) or his or her designee, in consultation with the Chief Operating Officer, will determine which employees are covered for purposes of this regulation.

The term "related entity" is intended to be broadly interpreted and includes agricultural mortgage marketing facilities established by System institutions, affiliates of the Federal Agricultural Mortgage Corporation, service organizations established by the System banks, and all other entities owned or controlled by one or more System institutions that are not chartered by the FCA.

The term "System institution" refers to all institutions chartered and regulated by the FCA, and also includes