

# ETHICS CORNER

## Please accept this gift as token of...

***Most inquiries to the Ethics Office revolve around the acceptance of gifts. Here are some questions and guidance to help you determine whether a gift or hospitality may be accepted, or may be a conflict of interest.***

**First**, identifying who is providing the gift is significant. For example, rules regarding gifts from suppliers are more conservative than procedures governing gifts from other business partners. Whether the gift-giver is a foreign entity may also be germane. Keep in mind, we are held to the rules of other governments as well as our own.

Most gift-acceptance inquiries (90%) are not complex. They involve average gifts—candy, shirt, or lunch—from local suppliers. In these cases, the following scenarios are generally true.

### **When it's permitted:**

When the answer to each of these questions is “yes,” chances are it's OKAY...

- Does the event or gift provide a business benefit for ES<sup>3</sup>?
- Does it occur infrequently?
- Is it moderate in value?
- Is the event attended by both the employee and the external associate?
- Does it create the appearance of fairness—impartial or equal treatment?

### **When it's NOT permitted:**

When the answer to any of these is “yes,” chances are it's not OKAY...

- Can it create a real or perceived conflict of interest?
- Is there potential to create a feeling of obligation on your part?
- Will it appear to improperly influence your business decision?
- Could it result in compromising your objectivity?

**Remember**, there should be a business benefit or purpose for accepting a gift, and the gift or the event should not influence, or appear to influence, selection and purchasing decisions. Fair business decisions are best made when there is no conflict of interest or even appearance of a conflict of interest.

**Finally**, disclosure is key. Providing gift and gratuity information on the C-196, Conflict of Interest, form protects employees and Northrop Grumman. Updating employee C-196s is an annual requirement throughout the corporation.

**For additional information on this or other ethics-related issues, feel free to call Donna Davis in the Ethics Office at (410) 765-5546.**