Office of Government Ethics 81 x 16(1) -- 05/08/81

Letter to a Private Attorney dated May 8, 1981

You have submitted a proposed [Company] Severance Pay Plan to the Office of Government Ethics on April 30, 1981 for our advisory review in regard to the statutory prohibitions of 18 U.S.C. 209. The Plan applies only to those partners of [the Company] who leave that company to go into "public service" as defined in the Plan (including, among other entities, educational institutions, charitable organizations, civic organizations, international agencies, professional organizations, state and local governments and the Federal Government). You understand, of course, that 18 U.S.C. 209 is not relevant to any payment under this Plan to a partner leaving [the Company] to go into any type of "public service" other than Federal.

We conditionally approve the Plan for purposes of 18 U.S.C. 209 subject to the provisos below. We will require a written opinion from a representative of [the Company] as each individual Federal entry case is considered which focuses on the history of the payments made under this Plan (if adopted) and under previous plans, if relevant. We must be satisfied as to each payment under the Plan that partners going into "public service" are in fact being compensated for past service to [the Company] (not as consideration for future activity or benefit to that company) and that entry into "public service" is n ot always synonymous with entry into the Federal service. This issue of the intent of [the Company] is the critical one and can only be based upon the inferences which can reasonably be drawn from the circumstances (including the experience under the Plan) surrounding the payment. This would mean that we would want to know at a minimum how and to whom1 the severance payments are actually awarded over an appropriate period of time.

Sincerely,

J. Jackson Walter Director

¹ Names will not be necessary.