



ETHICS GRAM

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NAVY-MARINE CORPS RELIEF SOCIETY (NMCRS): GUIDANCE FOR THE 2018 ANNUAL ACTIVE DUTY FUND DRIVE (ADFD)

Ref: (a) DoD 5500.07-R, Change 7
(b) 5 C.F.R. § 950.102
(c) SECNAVINST 5340.7 (*pending revision*)

1. **Background.** NMCRS is a private, non-profit, charitable organization that provides financial assistance and education, as well as other programs and services, to members of the United States Navy and Marine Corps, their eligible family members, widows, and survivors. The Society also receives and manages donated funds to administer these programs and services. As part of its effort, NMCRS conducts an annual fund drive in order to raise money to help Navy and Marine Corps families in need. For over one hundred years, NMCRS has provided comfort and relief to our shipmates as they dealt with natural disasters and other family emergencies. Last year, NMCRS provided thousands of our shipmates with financial assistance during Hurricanes Harvey, Irma, and Maria; NMCRS volunteers also ensured that sailors affected by the USS Fitzgerald and McCain collisions had access to free clothing, uniform and personal items when they returned to port. In 2017 alone, NMCRS provided a crucial financial support to nearly 60,000 Sailors, Marines, retirees and families with over \$45 million in interest-free grants and loans.

As a charitable organization, NMCRS does not receive government funding; as a result, its revenue relies heavily on the ADFD, conducted annually in the federal workplace. As we kick off this year's ADFD, this Ethics Gram gives SJAs the necessary tools and guidance to ensure understanding of the broad range of permissible activities that may be conducted in support of the ADFD, while also ensuring ethical compliance.

2. **NMCRS ADFD.** The NMCRS's ADFD takes place during the month of March¹ and will have a DON-wide fundraising goal of \$12.5 million. This goal is the only authorized goal. No region, command, or unit goals may be formally authorized.

3. **Authority for the NMCRS ADFD.** As a general matter, DoD employees may not fundraise in the workplace. (See references (a) and (b)). But NMCRS (and its counterpart service relief societies) enjoy an exception that allows limited workplace fundraising. (See reference (b)). This exception is predicated on a "by

¹ Per reference (c), commanders may designate another time period if March is impractical due to operational schedules provided that the alternate time period does not conflict with other Federal fundraising campaigns, including the CFC.

our own, for our own” (BOOFOO) rationale: the DON may permit workplace fundraising from active duty personnel because active duty personnel and their families are the intended recipients of NMCRS services. The DON permits this type of BOOFOO fundraising during the NMCRS’s ADFD, and the Secretary provides implementing guidance for the NMCRS’s ADFD through reference (c).²

a. **Permissible Activities**. The NMCRS’s ADFD should generally follow the same guidelines as other BOOFOO fundraisers. Please note that NAVADMIN 028/18 authorizes the limited use of appropriated funds for traditional kickoff events, such as rallies or command breakfasts. The following activities in support of the ADFD are appropriate:

(1) **Command Endorsement**: Commands and command leadership may endorse NMCRS as an organization, endorse the NMCRS ADFD, and praise the great work NMCRS is doing for our Sailors and Marines. Endorsements may be written (i.e., Commanding Officers including a quote in support of NMCRS in the Plan of the Week or directing command leadership to distribute flyers for NMCRS events) or verbal (i.e., Commanding Officers stressing the importance of NMCRS’s work and the ADFD during command events).

(2) **Contact Goals**: Per reference (c), commands should set one hundred percent meaningful **contact goals**; face-to-face contact is the preferred method. They may also display contact goal thermometers at the unit level to measure the command’s progress toward 100% contact.

(3) **Fundraising Events**: These events may be further divided into three-sub-categories.

(a) First, commands may hold traditional BOOFOO fundraising events, including, but not limited to, bake sales, car washes, pizza sales, gently used baby clothing sales, or bowling tournaments. When planning these events, please keep in mind the requirements to retain BOOFOO status: the events must be run primarily by active duty service members, held on base, and aimed primarily at Active Duty members (although civilians or contractors may donate if not specifically solicited).

(b) Second, per reference (c), NMCRS enjoys a special exception to the general federal prohibition on gambling activities. Commands are authorized to support raffles, lotteries, and the full range of carnival-type games of chance in connection with the NMCRS ADFD, although this authorization does not extend to casino-like games of chance, such as roulette. In addition, all events must comply with applicable state laws.

² This exception only applies to the ADFD—NMCRS, in its capacity as a private 501(c)(3) organization, does not solicit service members in the federal workplace.

(c) Third, it is more than likely that in an effort to promote a successful ADFD, commands will brainstorm novel fundraising approaches in addition to the more “traditional” events listed above. We encourage you to support these efforts through thorough legal analysis: more creative forms of fundraising are certainly permissible, provided they follow the guidelines established in references (a) through (c).

For a detailed discussion of what fundraising events are/are not permissible during the ADFD, please see Ethics Gram 14-01. Code 13 is available to answer any questions.

(4) **Internal Tracking:** Given the duration of the ADFD, we anticipate commands will desire to closely track how their efforts in support of the ADFD are faring. The command triad may, but is not required to, utilize the tracking tool available on the NMCRS website to internally monitor the command’s fundraising progress. These tools must be used only by the command leadership, and cannot be published or made available to other command personnel (see discussion of potentially coercive activities, below).

b. **Impermissible Activities.** In recent years, Code 13 has fielded questions relating to potential coercion and impermissible fundraising. Pursuant to reference (c), coercion—either explicit or implicit—is prohibited. Additionally, ADFD fundraising must follow the guidelines for all BOOFOO fundraisers established in reference (a). The following activities are prohibited:

(1) **Unit Goal Setting:** Unit-level dollar goals, to include the display of thermometers and tracking tools, are impermissible. Commands should not ask about a service member’s participation, set participation goals, or create lists of contributors or non-contributors.

(2) **Soliciting Civilian Employees and Contractors:** As discussed above, the ADFD is conducted in the federal workplace under a BOOFOO rationale. Therefore, only active-duty Sailors and Marines may be directly solicited. ADFD signs in shared workspaces and unsolicited donations from civilian employees, contractors, or other people are acceptable. However, civilian employees and contractors should never be directly solicited or included in a command’s contact goal.

(3) **Fundraising among the public:** As a non-federal entity, NMCRS may fundraise among the public. Commands supporting the ADFD, however, must keep their fundraising limited to BOOFOO-style events and not endorse or participate in public fundraising.

3. **Point of Contact.** We hope this guidance proves helpful. If you have any specific questions about appropriate execution of the NMCRS ADFD, please contact Code 13's Standard of Conduct Branch and we will be happy to assist.

For questions, please contact LCDR John Battisti at 703-614-9209 or john.battisti@navy.mil, LCDR Brian Corcoran at 703-614-7403 or brian.d.corcoran@navy.mil, LT Maura Leary at 703-614-8173 or maura.leary@navy.mil, or LT Chao Pan at 703-614-7479 or chao.pan@navy.mil. You may also email OJAG_Ethics@navy.mil with any questions to reach the entire Code 13 ethics team.

