



The Spirit & The Letter of Our Commitment

Government Business Working with Governments

(Policy 20.10)

Issued: October 2008
Supersedes October 2000

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GE conducts business with many local, state, provincial and national governments (including government-owned enterprises). GE also interacts with many government agencies, ministries, officials and public international agencies. In conducting business with all government entities, GE is committed to following the highest ethical standards and complying with applicable laws and regulations.

GE's Code of Conduct requires employees to be honest, fair and trustworthy. Our standards require more than just obeying the letter of the law; they require all employees to uphold the spirit of the law and adhere to the highest standards of integrity, avoiding even the appearance of impropriety. GE employees must observe these standards in addressing the special requirements often associated with government transactions and regulations. GE employees must comply with all laws and regulations applicable to government business, and must be truthful and accurate when dealing with all government officials, representatives or agencies that regulate the markets in which GE does business.

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Requirements:



- Adhere to the highest standards of honesty and integrity, and abide by all applicable laws and regulations.
- Comply with all government regulations and procedures applicable to GE as either a prime contractor or subcontractor.
- Before engaging in business discussions with any local, state, national or international government official, representative or agency, become familiar with and understand fully the agency rules and other non-commercial regulations applicable to such transactions, for example:
 - Do not provide any gifts or entertainment to officials or employees of any government — *local, state, provincial or national* — of the United States and other countries unless you have determined that you are permitted to do so by applicable law and regulations, and your business' policies and procedures. (See Improper Payments [Policy 20.4]).
 - Respect conflict-of-interest laws and regulations regarding the recruitment, hiring or activities of present or former government employees.
- Assure that all communications, including reports, certifications, representations, statements, proposals and claims made to government agencies are truthful, complete and accurate, and that there are effective business processes for assuring the accuracy and completeness of the information contained in such submissions.
- Require all persons or firms representing GE — such as consultants, agents, sales representatives, distributors and independent contractors — to agree to do so in a manner that is consistent with this policy.

Employee responsibilities:



Comply with applicable laws, regulations, and your business' policies and procedures in all transactions and other contacts with government agencies. Among the areas demanding your scrupulous attention are:

U.S. government contracts

Violations of the U.S. Government's zero tolerance policy regarding trafficking in persons which states that employees directly

engaged in the performance of work under a U.S. government contract shall not engage in severe forms of trafficking in persons or procure commercial sex acts during performance of the contract, or use forced labor in the performance of the contract.

Employees that violate this policy may be subject to disciplinary action up to and including termination.

Interactions with government officials

- Whenever you provide information to a government official — whether orally or in writing — be truthful, complete and accurate.

Contract proposal and negotiation

- When dealing with the U.S. government, adhere to the requirements of the Procurement Integrity Law and other laws and regulations pertaining to the procurement. Do not accept data related to the government's competitive selection of sources or a competitor's bid or proposal information unless the contracting officer or head of the agency has specifically and lawfully authorized release of such information.
- In negotiating certain government contracts, including certain U.S. government contracts, the government may require the submission and certification of detailed cost and pricing data for the purpose of evaluating the reasonableness of the prices. When the government requires the submission of such data:
 - Maintain the most current, accurate and complete records of all cost or pricing data, and disclose all data when required by law. When in doubt, disclose.
 - Describe in writing to the contracting officer or other authorized government official all changes or errors in cost or pricing data, prior to the certification of that data.
- In any transactions funded or guaranteed by a government agency (such as the Defense Security Cooperation Agency, the EX-IM Bank or Agency for International Development), carefully follow all applicable regulations.

Contract performance

- Meet all contract requirements for design, manufacture, materials, testing and any other applicable specifications.
- Do not deviate from contract requirements without written approval of the authorized government contracting official. Likewise, do not make unauthorized substitutions including use of imported materials where domestic materials are specified in the contract.
- Purchase materials and services for government contracts only through your approved sourcing operation. Comply with your business' purchasing procedures in areas such as truth in negotiations and source selection.
- Comply with applicable domestic preference laws and regulations when sourcing products or services from other countries.
- Accurately record costs to the proper accounts or contracts. Mischarging of costs may result from many activities, including improperly filled-out time cards or vouchers, charges to insupportable or unallowable overhead cost pools, incorrectly classified costs or misallocation of costs between contracts.
- Comply with executive orders, laws and regulations applicable to government contractors with regard to equal employment opportunity, affirmative action and other such contractual requirements.

Security

- Follow security regulations of the U.S. government and all other governments having jurisdiction over GE operations in a particular country. Those regulations typically cover plant and office security, the proper handling of classified material, travel, personal contacts and other activities of GE employees both on and off the job.

General:



- Follow the basic [employee responsibilities](#) common to all policies, which you can find online, as well as on page 5 of the GE policy guide, *Integrity: The Spirit & the Letter of Our Commitment*.

Additional responsibilities of leaders:



- Assure that effective processes are in place for identifying and communicating to contributing organizations all contract, grant or other transaction requirements (including, for example, design, manufacture, quality), and assure that those organizations have adequate processes in place to comply with those transaction requirements.
- Provide employees with correct charge numbers, and clear and accurate information about charging time and other costs to the proper account and contract.

- Develop and implement procedures consistent with this policy necessary to do business with all levels of government agencies within the United States and other countries.
- Cooperate with other GE management and government representatives in fulfilling contract requirements.
- Follow the basic [leadership responsibilities](#) common to all policies, which you can find online, as well as on page 6 of the GE policy guide, *Integrity: The Spirit & the Letter of Our Commitment*.

Related policies:



[Complying with the Competition Laws \(Policy 20.5\)](#)

[Fair Employment Practices \(Policy 20.2\)](#)

[International Trade Controls \(Policy 20.9\)](#)

[Improper Payments \(Policy 20.4\)](#)

[Supplier Relationships \(Policy 30.13\)](#)

Resources:



Additional information can be found on the *Doing Business with the United States and International Governments* Web site at http://supportcentral.ge.com/products/sup_products.asp?prod_id=45855.

QUESTIONS AND ANSWERS

Improper charging

Q: What if my supervisor were to tell me to voucher time against a job number not shown on my routing sheet. What should I do?

A: Tell your supervisor the job number is incorrect and recommend the correct number. If that approach is not practical, promptly contact the next level of management, company legal counsel, a designated compliance representative, your business' helpline, or the corporate helpline and report the problem.

Substituting products

Q: Because there are many common parts on our products, wouldn't it make sense to borrow parts from one government program to use on another, especially in rush situations?

A: No. Although it may seem like a quick solution, in government programs you must not make a substitution of a required part or test unless you have prior written authorization from the appropriate government contracting official.

Q: Some of our government contracts contain outdated or outmoded requirements. Doesn't it make sense for us to omit these requirements, since we know they are unnecessary or inefficient?

A: No. Before omitting or violating the letter of any contract requirements, you must obtain written authorization from the appropriate government contracting official.

Defective pricing

Q: In estimating labor costs on a major proposal for the U.S. government, we would like to use a new automated estimating technique instead of actual labor cost data from prior contracts. Would we be obligated to disclose actual cost data to the government?

A: Yes. The Truth in Negotiations Act requires the disclosure of all data that prudent buyers and sellers would reasonably expect to affect price negotiations. Thus, you should disclose to the government the use of the new estimating technique and the existence of the actual data, even if you did not use it in your estimate, if a prudent negotiator might find the data useful in negotiations. When in doubt, disclose.

Procurement integrity

Q: A U.S. government engineer I met on a prior job has offered to brief me on the specific criteria the government will use to evaluate proposals on an upcoming procurement. He says he wants to make sure we get a fair shot at the contract. Can I accept his offer?

A: Not without finding out if he has been expressly authorized by the contracting officer to give you this briefing. If the engineer tells you that he has been authorized by the contracting officer to brief you, make a written record of the conversation.

QUESTIONS AND ANSWERS *(continued)*

Inaccurate certification

Q: We want to maximize our cash flow. Our contract permits us to bill the government for payments made to suppliers. We just took delivery of about U.S.\$10 million in material. Unfortunately, accounting says they will not get checks issued to the suppliers until ten days after our billing is to be provided to the government. May I include the U.S.\$10 million in our billings? After all, by the time the government pays us, we will have paid the suppliers.

A: No. You must comply literally with all government requirements. Close is not good enough. The certification on the bill to the government must be completely accurate at the time you sign it. Accordingly, you cannot bill the government until you actually pay your vendor, unless authorized by law to do so.

Security information on outsiders

Q: I know that I can't release classified information to any person unless I verify his/her clearance level and need-to-know. How do I get this information if the person is not from my department?

A: Your Security Administrator can verify an individual's clearance level. This includes government personnel, GE employees from other locations and employees of other companies.

Commercial-type government business

Q: My business sells products and services on a commercial basis to U.S. and foreign governments. Do we need to comply with this policy?

A: Yes. Although selling commercial items to the U.S. government may reduce the scope of certain compliance risks covered by this policy, many other provisions of this policy still apply. For example, the obligation still exists to assure that adequate processes are in place to flowdown contract specifications and to comply with competition laws, procurement integrity and other requirements. Likewise, the standards of truthfulness, accuracy and responsibility contained in this policy should guide your conduct in dealing with all governments, regardless of contract type. Check with your company legal counsel regarding any particular requirements applicable to your business' contracts or interaction with government entities.