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The Honorable Harley O. Staggers, Chairman Special Subcommittee on Investigations Committee on Interstate and Foreign Commerce House of Representatives

Dear Mr. Chairman:

Reference is made to your letter of June 6, 1967, enclosing an announcement of a briefing conference on securities laws sponsored by the Federal Bar Association and the Foundation of the Federal Bar Association in cooperation with the Bureau of National Affairs, Inc., which was held in Washington, D.C., on June 15 and 16, 1967.

The registration fee for the briefing conference was $50 for Federal Bar Association members and $75 for other registrants. The speakers appearing on the program of the conference consist almost exclusively of officials of the Securities and Exchange Commission. You point out that the announcement of the briefing conference on securities laws is simply illustrative of a number of these announcements which have come to you over the past few years regarding conferences sponsored by different groups in cooperation with the Bureau of National Affairs, Inc.

You recognize the desirability of the various regulatory agencies not being precluded from utilizing such avenues as might be open to them for dissemination of information regarding the statutes which they administer and various rules and regulations which are promulgated thereunder. You state, however, that there is some question in your mind regarding this dissemination being made under the aegis of organizations which charge registration fees, and in several cases, you have informed, have been able to net substantial sums for their own income.

You request that we assure you one way or the other of the extent to which Federal officials may participate in activities which inure to the financial benefit of nonfederal organizations.

We understand that the Bureau of National Affairs, Inc., is a private profit organization which publishes legal, labor, and economic information for business and professional use. The Federal Bar Association and the Foundation of the Federal Bar Association and nonprofit organizations which among other thing, seek to advance the science of jurisprudence, and to uphold high standards for the Federal judiciary and for attorneys representing the Government of the United States.

We have been informed that all of the officials of the Commission who participated in the briefing conference on securities laws were speaking on matters relating to the laws administered by the Commission and to the functions and operations of the Commission pertaining to the administration of such laws. Also, we understand that such personnel were considered by the Commission to have been in an official duty status while so participating. Other employees of the Commission, while not participants in the conference program, were permitted to attend as employees receiving training under the authority contained in chapter 41 of title 5, United States Code.

We understand, in general, that the briefing conferences sponsored by the Federal Bar Association and the Foundation of the Federal Bar Association in cooperation with the Bureau of National Affairs, Inc., have been considered to be desirable media for the dissemination among the professions and the business community of information concerning the statutory functions of Government agencies and the regulations and manner of administering such functions by such agencies. The conferences have been used to establish a common ground of understanding among the agencies concerned and the professions and business community, and have produced a climate for better understanding and more effective administration of agency functions.

It is our further understanding that while the Bureau of National Affairs, Inc., frequently makes a profit from the registration fees charged registrants attending a conference its primary profit incentive is to increase the market for its various publications. Also, any profits from conferences are divided between the Bureau and the Bas Association.

The Bureau of National Affairs performs a number of services in connection with the briefing conferences, such as planning the conference programs; printing and distribution of invitations; arranging for the facilities -- frequently many months in advance of the conferences -- and arranging for the accommodations of persons attending the conferences. The Bureau bears the risk of financial loss in the event the necessary registration fees are not received to cover the cost of the conference. Thus, participating Government agencies are afforded a forum for disseminating information to other governmental agencies, to the professions, and to various segments of private business that are particularly interested in the functions and operations of such agencies, and for receiving their views and comments on problems of common concern, with little or no expense to the Government agencies, other than the salaries paid to the officials participating in the conference program.

The participation of officers and employees of an agency in a briefing conference when one or more sponsors of the conference is a profit making organization that holds such a conference for the purpose of profit, is not to our knowledge prohibited by statute or by Executive branch regulation or order. In the absence of a statute, or regulation or order, precluding employees of an agency from participating in such a conference we know of no propre basis for concluding that such participation is not proper.

In addition if the participation by an officer or employee of an agency in a briefing conference program is reasonably related to the functions of the agency and the duties of the officer or employee so that he may be regarded as being engaged on official business while so participating (cf. 31 U.S.C. 551), then we know of no legal restriction against the payment of his salary and expenses incident to such participation.

Whether, as a matter of policy, it would be desirable to restrict agency participation in programs or conferences sponsored by private concerns for profit making purposes is one for determination by the Congress or the head of the branch of the Government of which the agency is a part.

We trust the above satisfactorily answers your inquiry. If not, we will endeavor to furnish you with such further information or views as you consider necessary.

Sincerely yours,

(Signed) Elmer B. Staats Comptroller General of the United States