

§ 73a.735-502 Employees in regulatory activities.

(a) An employee in regulatory activities (“control activity” employee) may hold financial interests in an FDA-regulated organization only if either of the following conditions are met:

(1) The regulated activities of the organization are an “insignificant” part of its total business operations, or

(2) Written approval for an individual exception is granted by the Commissioner in accordance with § 73a.735-504; however, such approval will not be considered unless all of the following conditions are met:

(i) Retention of the financial interest does not give rise to an actual conflict of interest;

(ii) Acquisition of the financial interest occurred by marriage or inheritance, or the interest was held prior to an FDA reorganization, change in regulations, or similar circumstances beyond the control of the employee that resulted in the interest becoming prohibited;

(iii) No direct relationship exists between the employee's official duties and the regulated activities of the organization in which the financial interest is held;

(iv) The employee occupies a position below that of Bureau/Deputy Bureau Director (or Assistant/Deputy General Counsel, Food and Drug Division, Office of the General Counsel); and

(v) The employee agrees to refrain from engaging, either directly or indirectly, in transactions that are designed to increase the value of his “excepted” financial interest.

(b) To administer provisions within this part, the following interpretations apply:

(1) A “control activity” employee (“control activity” positions are identified in appendix C to part 73 of this chapter), means one who:

(i) Occupies an FDA position classified at GS-11 or above, or PHS Commissioned Officer 0-3 or above, or equivalent;

(ii) Occupies an FDA position below GS-11 with duties of a nature that the employee could in the discharge of his official duties and responsibilities cause an economic advantage for or impose a handicap on a non-Federal enterprise (includes investigators, inspectors, regulatory analysts);

(iii) Occupies a position at GS-11 or above in the Office of the Assistant General Counsel, Food and Drug Division.

(2) “Insignificant” (part of an organization's total business operations) means that the FDA-regulated products constitute no more than 10 percent of the organization's annual gross sales.