

**BY ORDER OF THE COMMANDER  
AIR FORCE MATERIEL COMMAND**

**AIR FORCE MATERIEL COMMAND  
INSTRUCTION 51-500**



**12 DECEMBER 2024**

**Law**

**OUTSIDE EMPLOYMENT AND  
BUSINESS ACTIVITIES**

**COMPLIANCE WITH THIS PUBLICATION IS MANDATORY**

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This instruction implements Air Force Policy Directive (AFPD) 51-5, *Administrative Law, Gifts, and Command Relationships*. This instruction aligns with Title 10 of the United States Code (USC), *Armed Forces*, the inherent authority of commanders, and is consistent with the applicable portions of the DoD Standards of Conduct Office, *Joint Ethics Regulation*, (JER) (2024), authorized by DoD Directive 5500.07, *Ethics and Standards of Conduct*, as well as Title 5, Code of Federal Regulations (CFR), Part 2635, *Standards of Ethical Conduct for Employees of the Executive Branch*, and Part 3601, *Supplemental Standards of Ethical Conduct for Employees of the Department of Defense*. This instruction establishes internal agency procedures for processing requests for approval of outside employment and business activities as outlined in JER Section 2-502, *Outside Employment and Activity*, and 5 CFR Part 3601. This instruction also delegates to commanders and supervisors the authority expressly granted by JER Section 2-502, 5 CFR Part 3601, and DAFI 36-147, *Civilian Conduct and Responsibility*, to require DoD employees under their jurisdiction to report/seek prior approval for any outside employment and business activities prior to engaging in them. All military and civilian personnel assigned or attached to the AFMC, including any Reserve or National Guard members on active duty orders issued pursuant to Title 10 USC for more than 30 continuous days, are required to submit a DAF Form 3902, *Application and Approval for Off-Duty Employment*, prior to engaging in outside employment or business activities. This instruction does not require Reserve or Guard members performing duty within AFMC to seek approval for preexisting non-DoD employment or business activities however, all other ethics laws and regulations are applicable to that employment. This instruction applies to all AFMC Regular Air Force (RegAF), Air Force Reserve and Air National Guard units as assigned to AFMC. This instruction applies to the United States Space Force as assigned to AFMC. Ensure

that all records created as a result of processes prescribed in this publication are maintained in accordance with (IAW) AFI 33-322, *Records Management and Information Governance Program*, and disposed of IAW Air Force Records Information Management System Records Disposition Schedule. Refer recommended changes and questions about this publication to the Office of Primary Responsibility using the DAF Form 847, *Recommendation for Change of Publication*; route DAF Forms 847 through the appropriate functional chain of command to HQ AFMC/JAA. The authorities to waive wing, and unit level requirements in this publication are identified with a tier number (“T-0, T-1, T-2, T-3”) following the compliance statement. See Department of the Air Force Manual (DAFMAN) 90-161, *Publishing Processes and Procedures*, for a description of the authorities associated with the Tier numbers. Submit requests for waivers through the chain of command to the appropriate tier waiver approval authority, utilizing guidance identified in DAFMAN 90-161. This publication may not be supplemented or further implemented/extended at any level. Failure to observe the prohibitions and mandatory provisions in paras. **1.1**, **1.2**, **1.5**, **1.6**, and **1.7** of this publication by military members is a violation of Article 92 of the Uniform Code of Military Justice (UCMJ).

## **1. Instruction.**

### **1.1. Air Force Materiel Command (AFMC) personnel, both military and civilian, must not engage in outside employment or a business activity that:**

- 1.1.1. Is prohibited by statute or regulation.
- 1.1.2. Would detract from readiness.
- 1.1.3. Would pose a security risk.
- 1.1.4. Would conflict with an employee’s official duties.
- 1.1.5. Requires a commissioned military officer on active duty (except while on transition/terminal leave) to separate from their organization, branch, or unit, or interferes with the performance of military duties.
- 1.1.6. Would involve knowingly making solicited sales, on or off duty, to DoD personnel who are junior in rank, grade, or position, or to the family members of such personnel. In the absence of coercion or intimidation, this does not prohibit the unsolicited sale or lease of an individual’s noncommercial personal or real property or commercial sales and arm’s length transactions solicited or made in a retail establishment or online market and made in a retail establishment during off-duty employment. The posting of an advertisement in accordance with Federal Government building management policies does not constitute solicitation. This prohibition includes the solicited sale of insurance, stocks, mutual funds, real estate, cosmetics, household supplies, vitamins, and other goods or services. Both the act of soliciting and the act of selling as a result of soliciting are prohibited. In both cases, however, a solicitation is necessary for a violation to occur. While the standard prohibits a more senior DoD official from making a solicited sale to a junior employee or to their family, sales made because a junior employee approaches the senior DoD official and requests the sale to be made are not prohibited, absent coercion or intimidation by the senior DoD official.

**1.2. All civilian and military personnel assigned to AFMC who intend to perform outside employment or business activities, including employment while on transition/terminal leave, shall submit a Department of the Air Force (DAF) Form 3902, *Application and Approval for Off-Duty Employment*, to their first-level supervisor at least two weeks before beginning the outside employment or business activities (except in cases where a two-week notice is not possible). Final approval must be obtained prior to starting the outside employment or business activities.**

**1.3. Obtaining approval for the outside employment or business activities satisfies the requirement of DAFI 36-147 that DAF civilian employees report outside business activities or compensation from outside employment to their supervisors.** Medical service personnel must comply with the requirements regarding outside employment in Air Force Instruction (AFI) 44-102, *Medical Care Management*, in addition to the requirements of this instruction. Legal personnel must comply with the requirements regarding outside employment in AFI 51-110, *Professional Responsibility Program*, in addition to the requirements of this instruction.

**1.4. Approval for outside employment and business activities will be granted unless a determination is made that the proposed outside employment or business activity is expected to involve conduct prohibited by statute or regulation or would otherwise violate [paragraph 1.1](#). (T-3).**

**1.5. A new DAF Form 3902 must be submitted whenever the type of outside employment or the employer changes, the individual's DAF duties change significantly, or the number of regularly scheduled off-duty hours increases.** A significant change in duties includes a permanent change of assignment to a new unit within the installation, even if the duties of the position are similar or the title is the same (i.e., Program Manager in unit ABC to Program Manager in unit DEF). Occasional increases in hours due to situations such as the availability of overtime work or the need to fill in for an absent coworker, do not require resubmission of DAF Form 3902. Previously denied requests may be resubmitted after a change in the individual's DAF duties. **(T-3)**. Approval may be revoked by the Agency Designee if the previously approved outside employment or business activity is subsequently determined to fall within one or more of the categories of [paragraph 1.1](#).

**1.6. A civilian employee or military member who is already participating in outside employment or business activities at the time they are assigned to a position at AFMC is required to seek their supervisor's approval to maintain such employment or business activities.** The civilian employee or military member must submit a DAF 3902 for approval within 60 days from the first day they are assigned to AFMC.

**1.7. Military personnel who fail to comply with the filing requirements of this instruction violate a lawful general order which may result in appropriate disciplinary action or criminal liability under Article 92 of the Uniform Code of Military Justice.** DAF civilian employees who fail to comply with the filing requirements of this instruction are subject to appropriate disciplinary action.

**1.8. Procedures for Completing DAF Form 3902.**

1.8.1. The employee completes all of Section I (except for block 3 Air Force Specialty Code (AFSC)) and the continuation sheet when applicable.

1.8.2. The employee's immediate supervisor completes Section II.

1.8.3. An Ethics Official from the employee's servicing legal office completes Section III. The Ethics Official may annotate the review of the outside employment or business activity in a more comprehensive format, such as a memorandum, when the employee is required to file a financial disclosure report and the outside employment is with a prohibited source, or for other atypical requests.

1.8.4. The employee's Agency Designee completes Section IV (annotated on DAF Form 3902 as "Unit Commander or Delegatee"). The Agency Designee may be the same person as the immediate supervisor that completed Section II.

1.8.5. Filing DAF Form 3902. After a request to engage in outside employment or business activities is approved or disapproved, the original request will be maintained by the employee and a copy will be provided to the employee's supervisor. If the employee is a confidential (Office of Government Ethics (OGE) Form 450, *Confidential Financial Disclosure Report*) or public (OGE Form 278e, *Public Financial Disclosure Report*) financial disclosure report filer, the approval will be annotated on the employee's financial disclosure report. **(T-3)**.

## 2. Explanation of Terms.

2.1. **The term "outside employment" means any form of non-Federal employment or business relationship involving the provision of personal services by the AFMC employee.** Outside employment includes, but is not limited to, personal services as an officer, director, employee, agent, attorney, consultant, contractor, general partner or trustee. "Business activities" include any commercial, contractual, or other financial relationship not involving the provision of personal services by the AFMC employee, but "business activities" does not include routine commercial transactions or the purchase of an asset or interest, such as common stock, available to the general public. Neither "outside employment" nor "business activities" include uncompensated activities for purposes of this instruction. "Uncompensated" means a position in which no compensation is expected, such as a volunteer role. It does not include an inactive business or a position in which you have not yet received compensation but expect to receive some form of compensation (money, stock, percentage of ownership in the company, etc.) at a later time.

2.2. **The term "prohibited by statute or regulation" means employment mentioned within the United States Code (USC) or Federal regulations such as the Code of Federal Regulations (CFR), the Federal Acquisition Regulations (FAR), or the Joint Ethics Regulation (JER) as unauthorized for current Federal employees.** Examples include but are not limited to: A Federal employee receiving a supplementation of their Federal Government salary from any source other than the Federal Government for their services rendered to the Federal Government (18 U.S.C. §209); A Federal employee participating personally and substantially as part of their official duties in any particular matter that, to their knowledge, will have a direct and predictable effect on their own financial interests or the financial interests of their spouse, minor child, general partner, or entity in which they are serving as officer, director, trustee, general partner, employee, or any person or organization with which they are negotiating for or have an arrangement concerning prospective employment (18 U.S.C. §208); A commissioned military officer or civilian working for a contractor within the Federal workplace of any Federal agency while currently employed by a

Federal agency (including while on transition/terminal leave)(18 U.S.C. §203); A RegAF commissioned military officer holding a civil office in the Government of the United States that is an elective office (10 U.S.C. §973); and a Federal employee, or a business owned or substantially controlled by a Federal employee, receiving an appropriated fund contract award from a Federal contracting officer, absent an exception (FAR Subpart 3.6).

**2.3. The term “readiness” includes the ability of the DAF to perform its mission in the manner and at the time and place required, and the ability of a military member or civilian employee to perform their government duties in the manner and at the time and place required.**

**2.4. The term “conflicts with an employee’s official duties” means it is prohibited by statute or by an agency supplemental regulation or would require the employee’s recusal from matters so central or critical to the performance of their official duties that the employee’s ability to perform the duties of the Government position would be materially impaired.**

**2.5. The term “Agency Designee” for any military officer in grade O-7 or above who is in command, the Chairman of the Joint Chiefs of Staff, the Military Service Chiefs, the Military Service Vice Chiefs, staff principals in the grade of O-9 or higher in a service headquarters organization, any head of a Defense agency or DoD field activity (as established by DoDD 5100.01), and any Presidential appointee requiring Senate confirmation, is the Ethics Official.** For all other DoD personnel, the Agency Designee is a commissioned military officer in the grade of O-4 or above, or a civilian employee in or above the grade of GS-13 or equivalent, who has been designated as a supervisor in the chain of command or supervision of the DoD Personnel concerned. This responsibility may not be further delegated (annotated on DAF Form 3902 in Section IV as “Unit Commander or Delegatee”).

**2.6. The term “prohibited source” means any person who is seeking official action by the employee’s agency, does business or seeks to do business with the employee’s agency, conducts activities regulated by the employee’s agency, has interests that may be substantially affected by the performance or nonperformance of the employee’s official duties, or is an organization a majority of whose members are described herein.** Companies that “do business” with the DoD are those listed on the “DoD Vendors with Contracts over \$25,000.00” list which is published annually, publicly available, and posted on the DoD Standards of Conduct Office (SOCO) website. In addition to traditional defense contractors, this list includes other entities such as colleges, universities, think tanks, and non-profit organizations that receive grants or contracts from the DoD.

**2.7. The term “Ethics Official” means a DoD attorney designated in writing by the respective Designated Agency Ethics Official (DAEO), or designee, to assist in carrying out the responsibilities of the ethics program.** Ethics Officials represent the U.S. Government and U.S. Government personnel who are acting in their official capacities. There is no attorney-client relationship between an Ethics Official and an individual in that individual’s personal capacity. Unless a waiver has been granted by General Counsel DoD, all DoD ethics officials must be licensed attorneys serving as such within the DoD Component issuing the ethics official designation. The term “ethics official” includes individuals previously referred to as “ethics counsel” or “ethics counselor”.

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**Attachment 1****GLOSSARY OF REFERENCES AND SUPPORTING INFORMATION*****References***

- 10 U.S.C. §973, *Duties: officers on active duty; performance of civil functions*
- 18 U.S.C. §203, *Compensation to Members of Congress, officers and others in matters affecting the Government*
- 18 U.S.C. §208, *Acts affecting a personal financial interest*
- 18 U.S.C. §209, *Salary of Government officials and employees payable only by United States*  
5 CFR Part 2635, *Standards of Ethical Conduct for Employees of the Executive Branch*
- 5 CFR Part 3601, *Supplemental Standards of Ethical Conduct for Employees of the Department of Defense*
- 10 USC, *Armed Forces*
- DoDD 5100.01, *Functions of the Department of Defense and Its Major Components*, 21 December 2010
- DoDD 5500.07, *Ethics and Standards of Conduct*, 15 May 2024
- DoD Standards of Conduct Office, *Joint Ethics Regulation, (JER) (2024)*
- AFPD 51-5, *Administrative Law, Gifts, and Command Relationships*, 31 August 2018
- AFI 33-322, *Records Management and Information Governance Program*, 23 March 2020
- AFI 44-102, *Medical Care Management*, 17 March 2015
- AFI 51-110, *Professional Responsibility Program*, 11 December 2018
- DAFI 36-147, *Civilian Conduct and Responsibility*, 11 January 2023
- DAFMAN 90-161, *Publishing Processes and Procedures*, 18 October 2023
- FAR Subpart 3.6, *Contracts with Government Employees or Organizations Owned or Controlled by Them*

***Prescribed Forms***

None

***Adopted Forms***

- DAF Form 847, *Recommendation for Change of Publication*
- DAF Form 3902, *Application and Approval for Off-Duty Employment*
- OGE Form 278e, *Public Financial Disclosure Report*
- OGE Form 450, *Confidential Financial Disclosure Report*

***Abbreviations and Acronyms***

AF—Air Force

**AFI**—Air Force Instruction  
**AFMAN**—Air Force Manual  
**AFMC**—Air Force Materiel Command  
**AFPD**—Air Force Policy Directive  
**AFSC**—Air Force Specialty Code  
**CFR**—Code of Federal Regulations  
**DAEO**—Designated Agency Ethics Official  
**DAF**—Department of the Air Force  
**DAFI**—Department of the Air Force Instruction  
**DAFMAN**—Department of the Air Force Manual  
**DoD**—Department of Defense  
**FAR**—Federal Acquisition Regulations  
**JA**—Judge Advocate  
**JER**—Joint Ethics Regulation  
**IAW**—In Accordance With  
**OGE**—U.S. Office of Government Ethics  
**RegAF**—Regular Air Force  
**SOCO**—DoD Standards of Conduct Office  
**UCMJ**—Uniform Code of Military Justice  
**USC**—United States Code