

be approved in advance by the Agency's ethics official.

(c) In all approved special fundraising events the donor must have the option of designating to a specific participating organization or federation or be advised that the donation will be counted as an undesignated contribution and distributed according to these regulations.

[60 FR 57890, Nov. 24, 1995, as amended at 71 FR 67289, Nov. 20, 2006]

§ 950.603 Sanctions and penalties.

(a)(1) The Director may impose sanctions or penalties on a federation, charitable organization or PCFO for violating these regulations, other applicable provisions of law, or any directive or instruction from the Director. The Director will determine the appropriate sanction and/or penalty, up to and including expulsion from the CFC. In determining the appropriate sanction and/or penalty, the Director will consider previous violations, harm to Federal employee confidence in the CFC, and any other relevant factors. The Director may bar a federation or charitable organization from serving as PCFO, for a period not to exceed one campaign period, if it is determined that the federation or charitable organization has violated any provisions of these regulations. A federation, charitable organization or PCFO will be notified in writing of the Director's intent to sanction and/or penalize and will have 10 business days from the date of receipt of the notice to submit a written response. The Director's final decision will be communicated in writing to the federation, charitable organization, or PCFO, with a copy to the appropriate LFCC.

(2) The Director may withdraw federation status with respect to a national, international or local federation that makes a false certification or fails to comply with any directive of the Director, or to respond in a timely fashion to a request by the Director or LFCC for information or cooperation, including with respect to an investigation or in the settlement of disbursements. The LFCC may recommend the withdrawal of federation status with respect to a local federation. As stated in §§ 950.301(d) and 950.303(d), failure to

meet minimum federation eligibility requirements shall not be deemed to be a withdrawal of federation status subject to a hearing on the record. Eligibility decisions shall follow the procedures in §§ 950.301(f) and 950.303(f). A federation will be notified in writing of the Director's intent to withdraw federation status for a period of up to one campaign period and will have 10 business days from the date of receipt of the notice to submit a written response. On receipt of the response, or in the absence of a timely response, the Director or representative shall set a date, time, and place for a hearing. The federation shall be notified at least 10 business days in advance of the hearing. A hearing shall be conducted by a hearing officer designated by the Director unless it is waived in writing by the federation. After the hearing is held, or after the Director's receipt of the federation's written waiver of the hearing, the Director shall make a final decision on the record, taking into consideration the recommendation submitted by the hearing officer. The Director's final decision will be communicated in writing to the federation, with a copy to the appropriate LFCC.

(3) A federation, charitable organization or PCFO sanctioned or penalized under any provision of these regulations must demonstrate to the satisfaction of the Director that it has taken corrective action to resolve the reason for sanction and/or penalty and has implemented reasonable and appropriate controls to ensure that the situation will not occur again prior to being allowed to participate in subsequent CFCs and/or serving as a PCFO for a campaign.

(b) At the Director's discretion, PCFO's and Federations may be directed to suspend distribution of current and future CFC donations from Federal employees to recipient organizations. Federations and PCFO's shall immediately place suspended contributions in an interest bearing account until directed to do otherwise.

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