Welcome to the Conflict of Interest webinar

We will begin shortly

To listen to this webinar please dial

1-866-740-1260
Access Code – 5310231
Who do we have today?

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Senior Counsel (Public Accountability and Governance)
OGC
Learning Objectives

1. Understand how you can be personally liable for conflict of interest.

2. See what laws apply and what the penalties are.

3. Learn how some contracts, including contracts with other UC employees, can be prohibited under state law.

4. Hear about what qualifies as gifts.

5. Know when to seek legal assistance.
When You Have a Conflict of Interest You Cannot:

- Make the Decision
- Participate in the Making of the Decision
  - Meetings, recommendations
  - Influence the Making of the Decision
  - Lobby, or talk to other UC employees about the Decision

Government Code Section 87100
Conflict of Interest. Your UC Decision is Like the Ripple Effect in a Pond: It Affects More Than Just Yourself
Q. When Should You Get Help On Conflict Of Interest?

A. When The UC Decision Affects Any Of Your Seven Economic Interests

1. Personal Effect
2. Sources of Income ($500)
3. Giver of Gifts ($460)
4. Business Investments ($2,000) or
5. Business Management Positions
6. Real Property Interests ($2,000)
7. Prospective Employers
When Should You Get Help on Conflict of Interest?
(Government Code Section 87103, 87407)

If the UC Decision Affects

1. **Personal Finances** of You or Your Spouse, Or Immediate Family
2. Sources of **Income** to You (receipt of $500 in prior 12 months.)
3. Businesses in which You hold an **Investment** ($2,000 investment)
4. Business in Which You Serve As Director, Partner, Trustee & Employee Or Other Management Position
5. **Real Property** That You Own Or Have An Interest ($2,000 investment)
6. Sources of **Gifts** to You ($460 aggregate gifts in prior 12 months)
7. **Prospective** Employers
Penalties

• Per the Government Code:
  • Administrative Fines of upto $5,000 per violation
  • Criminal Misdemeanor
  • Discipline

• Per the Public Contract:
  • More fines and Penalties
No Service or Goods Contracts with UC Officers or Employees. Public Contract Code Section 10516
Ban Also Covers Any “Employment Activity or Enterprise” that Pays the Employee or In Which the Employee has a “Financial Interest”

UC cannot contract with an employee’s business
## Follow On Contract Prohibition:
A Consultant Can’t Recommend More Work To Himself

Public Contract Code Section 10515

<table>
<thead>
<tr>
<th>Consulting Contract with Mr. Smith</th>
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<tbody>
<tr>
<td>Smith’s Final Recommendation:</td>
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<tr>
<td>UC Needs More Widgets!</td>
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<table>
<thead>
<tr>
<th>Supply Contract with Mr. Smith</th>
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<tbody>
<tr>
<td>Smith Will Provide Widgets the UC Now Needs</td>
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<tr>
<td>UC Will Pay Mr. Smith More Money</td>
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Don’t Forget: business & finance bulletin Bus-43 Materiel Management -- Employee-Vendor Rules

- Mirrors Public Contract Code restrictions on contracting with UC employees or former employees
- Also requires Materiels Manager review and approval of purchases or contracts with “Near Relatives”
- “Near Relative”: The spouse, child, parent, brother, sister, son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law, or sister-in-law of a University employee, and step-relatives in the same relationship. Also the domestic partner and a relative of the domestic partner in one of the foregoing relationships.
Resources

- University Standards of Ethical Conduct
  http://www.ucop.edu/ethics-compliance-audit-services/compliance/standards-of-ethical-conduct.html

- University Conflict of Interest Code
  http://www.ucop.edu/general-counsel/__files/uc_coi_code.pdf
THANK YOU