

Expanding Conflict of Interest and Commitment Policies to Address Unique Business Risks



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Webinar Agenda



- Overview of UC Conflict of Interest (COI) Policies (Luanna Putney)
- Unique COI Risks in Conducting RGPO Business (Bart Aoki)
- RGPO COI Policies and Procedures (Julia Arno)
- Lessons Learned (Mary Croughan)
- Q&A

UC Statement of Ethical Values & Standards of Ethical Conduct



- **Statement of Ethical Values**
 - Integrity, Excellence, Accountability and Respect
- **Standards of Ethical Conduct**
 - Fair Dealing
 - Individual Responsibility and Accountability
 - Respect for Others
 - Compliance with Applicable Laws and Regulations
 - Compliance with Applicable University Policies & Procedures
 - ***Conflicts of Interest or Commitment***
 - Ethical Conduct of Research
 - Records: Confidentiality/Privacy and Access
 - Internal Controls
 - Use of University Resources
 - Financial Reporting
 - Reporting Violations and Protection from Retaliation



6. Conflicts of Interest or Commitment

Employee members of the University community are expected to devote primary professional allegiance to the University and to the mission of teaching, research and public service. Outside employment must not interfere with University duties. Outside professional activities, personal financial interests, or acceptance of benefits from third parties can create actual or perceived conflicts between the University's mission and an individual's private interests. University community members who have certain professional or financial interests are expected to disclose them in compliance with applicable conflict of interest/conflict of commitment policies. *In all matters, community members are expected to take appropriate steps, including consultation if issues are unclear, to avoid both conflicts of interest and the appearance of such conflicts.*

CA Political Reform Act Requirement of ALL UC Employees



- As public employees, all UC employees are subject to the California Political Reform Act of 1974 (“Act”), which is designed to assure that public officials “perform their duties in an impartial manner, free from bias caused by their own financial interests or the financial interests of persons who have supported them.”
- The Act requires UC employees to disqualify themselves from making or participating in the making of any University decision in which they may have a disqualifying financial interest
- No employee shall make, participate in making, or in any way attempt to use his or her official position to influence the making of any decision which he or she knows or has reason to believe will have a material financial effect on the employee or a member of his or her immediate family

Additional Staff-Related COI Policies



- **G-39: Business and Finance Bulletin G-39, Conflict of Interest Policy and Compendium of Specialized University Policies, Guidelines, and Regulations Related to Conflict of Interest- February 24, 2010** <http://policy.ucop.edu/doc/1220367/BFB-G-39>
 - University of California Conflict of Interest Code (Financial), Originally Approved by the Fair Political Practices Commission (January 26, 1978), and Re-approved Yearly Thereafter with Modifications <http://www.ucop.edu/general-counsel/legal-resources/conflict-of-interest-code.html>
 - Employee Conflict of Interest- June 23, 1980 <http://policy.ucop.edu/doc/4000372/EmployeeCOI>
 - PPSM-82: Conflict of Interest- July 1, 1996 <http://policy.ucop.edu/doc/4010421/PPSM-82>
 - Senior Management Group Outside Professional Activities <http://policy.ucop.edu/doc/4000373/SMG>
 - Policy on Employee-Vendor Relationships <http://policy.ucop.edu/doc/3200484/EmpVendorRelations>
 - BRB-BUS-34: Securing the Services of Independent Consultants- December 17, 2008 <http://policy.ucop.edu/doc/3220478/BFB-BUS-34>
 - Education Loan Practices- September 26, 2007 <http://policy.ucop.edu/doc/2700514/EducationLoanPractices>

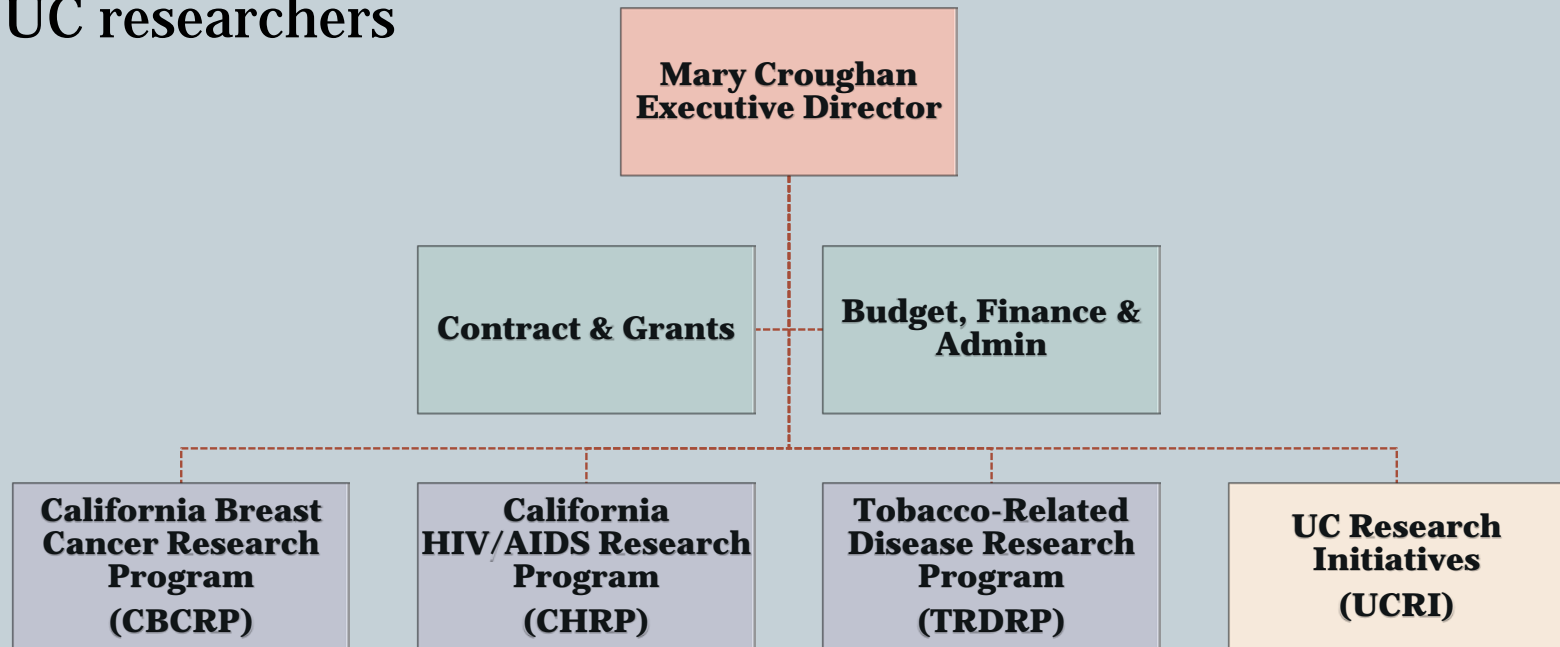
RGPO Organizational Context

Bart Aoki



- **Research Grants Program Office (RGPO)**

- Solicits grant applications and convenes reviews to determine whether to fund grant applications
- Funds and manages \$250M in active awards to UC and non-UC researchers



RGPO: Context and Risks for COI (1)

Bart Aoki



- **Organizational**

- Change in structure, roles/responsibilities, business processes
- Ambiguity about goals, values, and standards

- **Non-Financial**

- Professional advisors, reviewers, and personnel necessary to conduct business
 - ✦ Collaborators and colleagues of applicants and grant recipients
 - ✦ Continuing external professional activities related to RGPO business

RGPO: Context and Risks for COI (2)

Bart Aoki



- **Financial**

- Decision-makers on award and management of \$250M in research grants
 - ✦ Research priorities and requirements
 - ✦ Selection of reviewers
 - ✦ Proposals meriting funding
 - ✦ Grants funded and continued
- Decision-makers on purchase of business support services
 - ✦ Meeting venues
 - ✦ Catering services
 - ✦ Media design and production services

RGPO COI Policy Development

Bart Aoki



- Developed in response to identified needs:
 - Integrate policies following a reorganization; address specific policy violations
- Higher COI standards than are currently required by UC policy
 - Established a requirement for **annual and ongoing disclosure** by ALL RGPO staff
 - Set more **stringent limits** regarding acceptance of gifts and honoraria for ALL RGPO staff
 - Provided rules and procedures to manage conflicts related to **professional activities**
- Policy Steering Committee established January, 2011
 - Drafts vetted with Office of General Counsel, Office of Ethics, Compliance & Audit Services and Human Resources
- Policy finalized and implemented August, 2011
 - Updated on an annual basis and all RGPO staff are required to complete in-house conflicts training and disclosure

RGPO COI Policy Review

Julia Arno



- **Purpose:** to avoid, reduce, or manage actual, potential, or perceived conflicts of interest in performance of RGPO activities related to developing recommendations for and making decisions about grant funding and grant management
- **Applies to:** All RGPO are now required to adhere to the new policy including: RGPO **career and contract employees**, and RGPO **reviewers and advisors**
- **Requires Disclosure and Monitoring:** For professional, personal, or financial interests that may constitute a potential conflict of interest

RGPO COI Policy Review

Julia Arno



RGPO Key Policy Requirements

- Duty to disclose continuing or new **professional, personal, or financial interests** that may constitute a potential conflict of interest in the following areas:
 - **Professional Activities**
 - **Funding Applications & Awards**
 - **Gifts & Honoraria**
 - **Fundraising**

RGPO COI Policy Review

Julia Arno



Professional Activities & Honoraria

- All RGPO staff must disclose continuing or professional activities that are within the employee's area of expertise including compensated or uncompensated participation as a consultant or board member in a corporate, non-profit, or other voluntary organization that may constitute a potential conflict of interest
- Some outside professional activities may reasonably constitute a part of RGPO position responsibilities and may be approved as part of the RGPO staff member's work time. **Prior approval is required.**
- No RGPO staff may accept honoraria for work-related activities unless approved by the RGPO Executive Director

RGPO COI Policy Review

Julia Arno



Applications and Awards:

- RGPO staff are prohibited from:
 - participating in the preparation of an application for funding submitted to any of the RGPO programs (for example, as principal investigator, key personnel, subcontractor, consultant)
 - receiving remuneration or other direct or indirect benefit from any grants or contracts supported by RGPO programs
 - If the potential for a conflict exists, it must be immediately disclosed so that the RGPO Executive Director and direct supervisor can develop a **Conflict Resolution Plan**

RGPO COI Policy Review

Julia Arno



Gifts

- All RGPO employees must disclose gifts of **\$50** or more in value that have been received from sources which:
 - have received RGPO funding in the past 2 years
 - will seek RGPO funding in the foreseeable future
 - contracted with UC to supply goods or services in the past two years,
 - engaged in bidding or negotiations for a future contract with the University
- No RGPO staff may accept gift(s) with a total value of more than the limit imposed by the California Political Reform Act (currently \$420) in a calendar year from any single source

RGPO COI Policy Review

Julia Arno



Fundraising:

- An RGPO staff member may participate in fundraising in an **official capacity** if authorized to engage in the fundraising activity as part of RGPO official duties. RGPO staff **may not** solicit or accept donations from an individual or organization that could be perceived to benefit from the donation, including; prospective vendors, independent consultants and grant applicants
- An RGPO staff member may engage in fundraising in a **personal capacity** for an outside agency provided that he or she does not solicit funds from an RGPO subordinate, or from grantees, prospective grantees, vendors or independent consultants

RGPO COI Policy Review

Julia Arno



RGPO Reviewers & Advisory Committee Members

- In order to ensure that fairness and objectivity are preserved in all grantmaking decisions at RGPO, application reviewers and program advisors are required to sign a Confidentiality Agreement and Conflict of Interest Disclosure form prior to initiating any application review
- If a reviewer holds an appointment at an applicant's institution or has a prior close relationship with an applicant, this is a conflict and the reviewer will be removed from the grant review
- If an advisory member holds an appointment at an applicant institution this relationship must be disclosed so that the Program Director and Executive Director can establish a **Conflict Resolution Plan**

RGPO COI Policy Review

Julia Arno



Case Study

An RGPO Analyst:

→ Accepts a “freebee” valued at \$50 from an entity that may be funded by one of the RGPO Programs

→ Invites coworkers to a lunch sponsored by the applicant entity, at least one of the coworkers has a decision-making role in the funding process for this entity. All employees receive a free 2+ hour lunch and gifts



Issues: disclosure, gifts exceed allowable limits, disqualifying conflicts, compensation for professional activities during work hours, conflict of commitment

RGPO COI Policy Review

Julia Arno



For more information regarding RGPO Conflicts Policy and Procedures see:

<http://www.ucop.edu/research-grants-program/grant-administration/index.html>

Lessons Learned

Mary Croughan



Critical Success Factor for the RGPO Policy-Disclosure

When is the disclosure form due?

- ✦ July 31st staff disclosure to Program Manager and Executive Director (for upcoming fiscal year)
- ✦ RGPO reviewers and advisors complete disclosure forms prior to each new grant review cycle

What happens if a potential conflict is disclosed?

- ✦ Develop Conflict Resolution Plan with the Executive Director
- ✦ RGPO supervisors then implement & monitor the Conflict Resolution Plan

Have potential or actual conflicts been resolved through disclosure?

- ✦ Yes

End



QUESTIONS?