



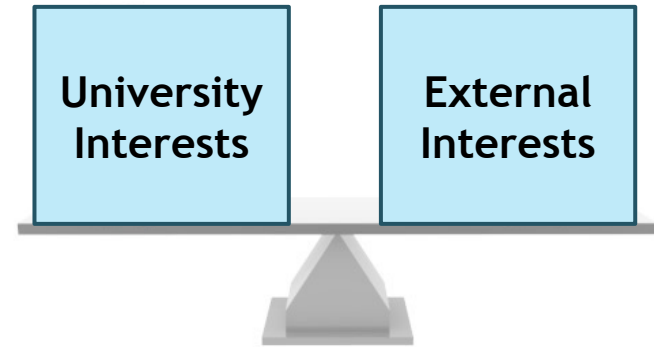
REDUCE
SPEED,
INTERSECTION
AHEAD

Avoiding Collisions of Financial, Professional, and Personal Conflicts of Interest

2023 Compliance and Ethics Week

COI Session Presented by
Wanese Butler, TAMU-CC Financial Conflict of Interest Officer
Office of Risk, Ethics, and Compliance

Session Objectives



- Awareness to identify real or perceived conflicts of interest
- Knowledge and guidance on financial conflicts of interest
- Access to COI related information and resources

What is Conflict of Interest?

Per Texas A&M University System (TAMUS) Regulation 15.01.03 *Financial Conflict of Interest in Sponsored Research*, a **Conflict of Interest** occurs when an individual's private interests compete with their professional obligations to the system to a degree that an independent observer might reasonably question whether the individual's professional actions or decisions

are determined by considerations of personal gain, financial or otherwise.



Conflict of Interest (COI) versus Financial COI

- There is a difference for university employees, as defined by TAMUS Regulation 15.01.03.
Remember, a COI occurs when an individual's private interests compete with their professional obligations to the system to a degree that an independent observer might reasonably question whether the individual's professional actions or decisions are determined by considerations of personal gain, financial or otherwise.
- Financial Conflict of Interest (FCOI) is a significant financial interest that could directly and significantly affect the design, conduct or reporting of research or research activities.

Consider Driving & Influencing Factors *carried into the work process, decision-making, and business actions*



Examples of Impartiality:

- Professional/Org Expectations
- Objectivity
- Neutrality
- Relevant Criteria
- Role Appropriateness
- Adopted Policy/Process
- Fair Assessment Tools



Examples of Real/Perceived Bias:

- Personal Interests/Gains
- Subjectivity
- Favoritism
- Irrelevant Information
- Beyond Scope/Role
- Policy/Process Deviation
- Inconsistent Assessment

FCOI - Whose interests are covered?

Interests of the employee* and/or their covered family members

Covered family members include spouse, dependent child, stepchild or other dependent, for purposes of determining federal income tax liability during the period covered by the employee's Financial Disclosure Statement, and a related or non-related, unmarried adult who resides in the same household as the employee and with whom the employee is financially interdependent as evidenced, for example, by the maintenance of a joint bank account, mortgage or investments.

**Per 15.01.03 Financial COI in Sponsored Research, employees include the project director or principal investigator and any other person, regardless of title or position, who is responsible for the design, conduct or reporting of research or research activities; and students compensated for their research efforts (e.g., scholarship, salary or tuition reimbursement.*



Financial & Significant Interests

A **Financial Interest** is “anything of monetary value, whether or not the value is readily ascertainable.”

A **Significant Financial Interest (SFI)** is “a financial interest, including but not limited to one or more of the following interests of the employee* (and those of the employee’s covered family members), that reasonably appears to be related to the employee’s institutional responsibilities:”



**Per 15.01.03 Financial COI in Sponsored Research, employees include the project director or principal investigator and any other person, regardless of title or position, who is responsible for the design, conduct or reporting of research or research activities; and students compensated for their research efforts (e.g., scholarship, salary or tuition reimbursement.*

Types of Significant Financial Interests

- (a) With regard to any publicly traded entity, a significant financial interest exists if the value of any remuneration received from the entity in the 12 months preceding the disclosure and the value of any equity interest in the entity as of the date of disclosure, when aggregated, exceeds \$5,000. For purposes of this definition, remuneration includes salary and any payment for services not otherwise identified as salary (e.g., consulting fees, honoraria, paid authorship); equity interest includes any stock, stock option or other ownership interest, as determined through reference to public prices or other reasonable measures of fair market value;
- (b) With regard to any non-publicly traded entity, a significant financial interest exists if the value of any remuneration received from the entity in the 12 months preceding the disclosure, when aggregated, exceeds \$5,000, or when the investigator (or the investigator's covered family member) holds any equity interest (e.g., stock, stock option or other ownership interest); or
- (c) Intellectual property and royalty interests (e.g., patents, copyrights), upon receipt of income related to such rights and interests.

Types of Significant Financial Interests (continued)

(d) The occurrence of any reimbursed or sponsored travel (i.e., that which is paid on behalf of the investigator and not reimbursed to the investigator so that the exact monetary value may not be readily available), related to their institutional responsibilities; provided, however, that this does not include travel that is reimbursed or sponsored by a federal, state or local government agency, an institution of higher education as defined at 20 U.S.C. §1001(a), an academic teaching hospital, a medical center or a research institute that is affiliated with an institution of higher education.

(e) Gifts, when the value of a single gift received by the investigator or a covered family member in the preceding 12 months exceeds \$250, or when the aggregated value of multiple gifts received from a single entity within the preceding 12 months exceeds \$250, excluding gifts received from a covered family member.

(f) Any fiduciary position held by an investigator or a covered family member in a for-profit or nonprofit entity in the preceding 12 months, including a position as a member of the board of directors, an officer or other executive or management position for which the investigator or covered family member received any form of remuneration or reimbursement for expenses.

What is NOT a Significant Financial Interest?

The term significant financial interest does not include:

- (a) Salary, royalties or other remuneration paid by a member to the investigator if the investigator is currently employed or otherwise appointed by the member, including intellectual property rights assigned to the system or its member and agreements to share in royalties related to such rights;
- (b) Income from investment vehicles, such as mutual funds and retirement accounts, as long as the investigator does not directly control the investment decisions made in these vehicles;
- (c) Income from seminars, lectures or teaching engagements sponsored by a federal, state or local government agency, an institution of higher education as defined by 20 U.S.C. §1001(a), an academic teaching hospital, a medical center or a research institute that is affiliated with an institution of higher education;

Continuing, the term significant financial interest also does not include:

- d) Income from service on advisory committees or review panels for a federal, state or local government agency, an institution of higher education as defined by 20 U.S.C. §1001(a), an academic teaching hospital, a medical center or a research institute that is affiliated with an institution of higher education; or
- e) Travel reimbursed or sponsored by a federal, state or local government agency, an institution of higher education as defined by 20 U.S.C. §1001(a), an academic teaching hospital, a medical center or a research institute that is affiliated with an institution of higher education.

Mitigating Conflicts of Interest

If the campus COI Official determines that an FCOI exists:

- The COI Official or designee must notify the investigator in writing.
- The COI Official or designee works with the investigator to develop a management plan specifying the steps to be taken to manage, reduce or eliminate the FCOI.
- The management plan is approved by the COI Official or designee.
- The management plan remains in effect as long as the conflict of interest exists.
- The management plan may be amended to reflect updates and changes in the employee's COI status.
- Continued COI assistance is available to the employee to maintain their management plan compliance.

Mid-Session Pitstop



Scenario

Pat works fulltime weekdays at the university and just got a weekend job at an external company. Pat's new weekend supervisor tells Pat that they are retiring in a month. The external company announces one of its owners, Chris, will be the interim weekend supervisor. Chris also happens to be Pat's university supervisor.

Part I - Is there a conflict of interest (COI) issue?

- A. No, because Pat & Chris work very professionally.
- B. No, since Chris is only Pat's external supervisor temporarily.
- C. Yes, Pat & Chris have a possible COI issue because of their working relationship at the university.
- D. Yes, Pat & Chris have a possible COI issue because of their external employment interests.
- E. A & B
- F. C & D

Answer: F



Pat & Chris Scenario - continued

Pat works fulltime weekdays at the university and just got a weekend job at an external company.

Pat's new weekend supervisor tells Pat that they are retiring in a month.

The external company announces one of its owners, Chris, will be the interim weekend supervisor. Chris also happens to be Pat's university supervisor.

Part 2 - Who should report a conflict of interest (COI) to the university?

- A. Pat, who has reports to Chris and is paid by Chris externally
- B. Chris, who has authority over Pat in private company & at the university
- C. Both Pat and Chris
- D. Anyone can report the COI to the university as it relates to university employees, work & business.

**Answer: C & D due to
financial and relational reasons.**

COI COMPLIANCE CENTRAL

Guidelines

- Policies: 07.01–Ethics; 07.03–Conflicts of Interest, Dual Office Holding & Political Activities; 07.04 – Benefits, Gifts and Honoraria
- Regulations: 15.01.03-Financial Conflict of Interest in Sponsored Research
- Procedures: 31.05.01.C1-Faculty Consulting & External Employment; 31.05.02.C0.01-External Employment

Training - TrainTraq Course #2111716-FCOI in Research;
TrainTraq Course #2114400-Ethics & Fraud

Disclosure - Employees should disclose to an appropriate university supervisor/office when a personal interest exists or arises with real/perceived conflict of interest to professional obligations or other university business.

COI COMPLIANCE CENTRAL (CONTINUED)

Related Records

- Disclosure of Interest Forms: Annual disclosure is assigned based on university job/position.
- Maestro Disclosure: Maestro task is assigned to jobs subject to FCOI (i.e. faculty, graduate research assistants).
- External Consultation/Employment Forms:
 - A. External Employment/Consultation Form is required upon occurrence of external work and for annual renewals.
 - B. Once approved, please upload a document copy to the Maestro FCOI Disclosure for employees subject to FCOI.
- Management Plan: Submit a plan when a COI exists but may be alleviated, managed, and/or resolved.

Assistance & Reviews

Provided by campus FCOI Officer at:

(361) 825-5191

fcoi.compliance@tamucc.edu

Islander Jobs Subject to FCOI

Maestro Research Proposals & Projects

FCOI Maestro Flag Notifications:

1. Complete TrainTraq FCOI course assignment.
2. Complete FCOI Disclosure assignment.

These COI compliance items give opportunity to check, update, and manage COI issues or concerns. Consider any interests (that are or could be) linked, associated &/or related to the research, technology, or other University business.

If there is any associated external consulting/employment, please upload a copy of the approved form to the applicable FCOI Disclosure in Maestro.


Please complete these compliance items timely upon the Maestro notification to avoid a spending freeze hold.

Please update any applicable COI disclosures upon for example (but not limited to) any new or extended agreements, collaborations, other professional interests, and associated personal interests.



Another Opportunity to Check and Manage COI Concerns: External Employment & Consulting Requests

11/6/23, 1:54 PM New Submission

 **EXTERNAL EMPLOYMENT APPROVAL**

FA.HR.0001 - v2

PLEASE NOTE: Staff requests are sent to Human Resources. Faculty requests are sent to Academic Affairs.

1. Form must be approved by the Department Head or Dean.
2. The following circumstances require division vice president approval. For employees that report directly to a division vice president or the President, approval by the President is required.

- Requests with potential to cause a conflict of interest.
- Requests for reassigned (release) time require.

With few exceptions, you have the right to request, receive, review and correct information about yourself collected using this form.

Employee Name - First*
Wanese

Employee Name - Middle
L

Employee Name - Last*
Butler

Title
Financial Conflict of Interest & Export Control Officer

<https://laserficheforms.tamucc.edu/Forms/FA-HR-ExternalEmployment> 1/4

New in Fall 2023:

Implementation of
electronic process for all
employees

Conversion of
manual request & renewal
forms

One form for all
employees

Same management chain
for final approvers

<https://laserficheforms.tamucc.edu/Forms/FA-HR-ExternalEmployment>

Quiz Questions



QUIZ #1 - *Where has a potential COI begun?*

A Teaching Assistant grades assignments from their favorite class ever taken.

B An employee applies for a job that would promote them into their fiancé's management chain.

C An employee receives an email from their regular Door Dash delivery person that they are interested in attending in a year and wants help on how to get admitted to TAMU-CC.

D A vendor bidding on a university contract delivers Thanksgiving lunch & gift cards to campus staff.

B & D have most COI potential

QUIZ #2

Jo serves on a job search committee that receives a short list of qualified candidates. Jo then realizes their own sibling applied for the job. What is the best answer for Jo?

- A. Stay on the committee since Jo & the sibling are estranged and don't talk to each other anyway.
- B. If the sibling makes it to the interview phase, then Jo may participate on the interview panel, except when it's time for the sibling's interview.
- C. Jo tells the sibling to withdraw their job application so Jo may serve on the committee without hesitation.
- D. Jo tells the committee chair immediately upon realizing the sibling is on the qualified applicant list & Jo recuses from the committee and hiring process for his position.

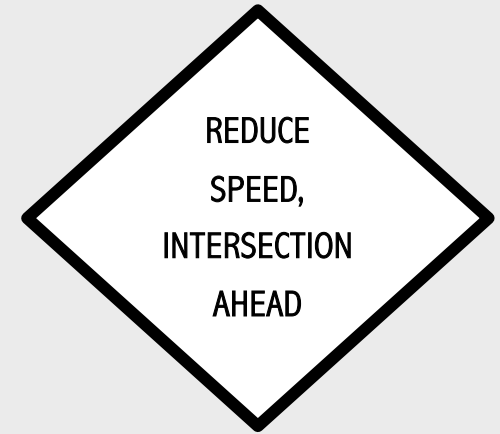
Best Answer: "D" is what Jo should do. Furthermore, the committee may need to take other measures as necessary, such as changing any previously discussed interview questions etc.



**Keep everyone and everything for every phase
in its lane for the best outcomes.**

Thank You

for attending today's Compliance & Ethics Week awareness training on avoiding conflicts of interest.



For more COI information
or assistance:

Fcoi.compliance@tamucc.edu

(361) 825-5191