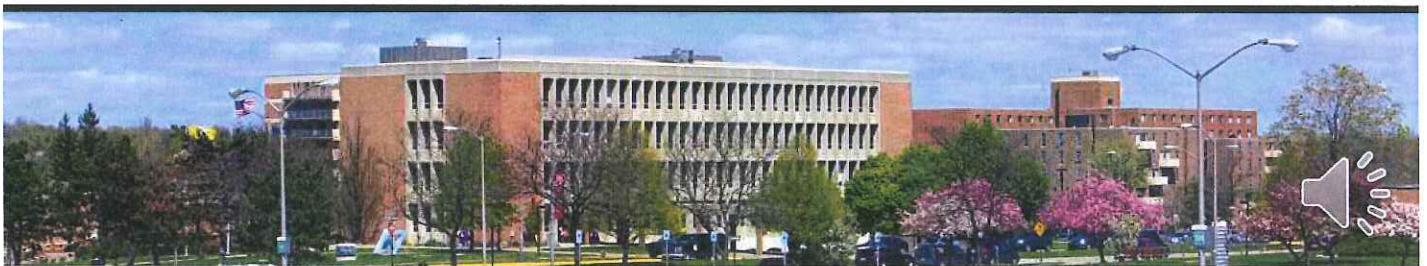


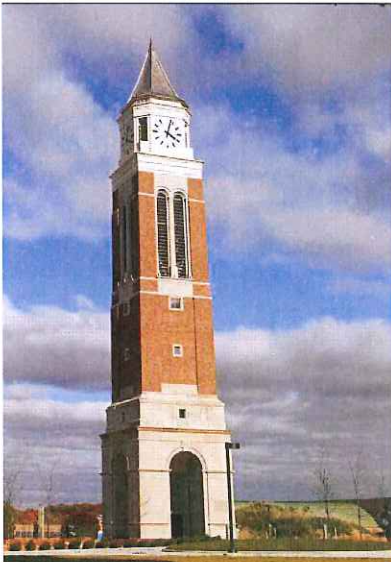


University Human Resources Training

Administrative Policy 406 – Conflict of Interest



Introduction



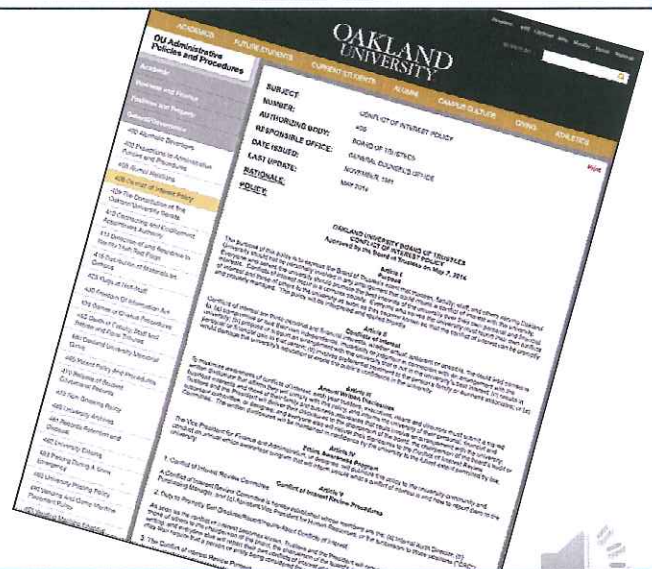
- Oakland University strives to maintain the highest standards of integrity and ethics.
- **All OU employees are required to:**
 - disclose any external relationships that may create even an appearance of unfair benefit being gained through University business, and;
 - manage any potential conflicts of interest prior to conducting university business that may be impacted by a conflict.



Introduction



- This course will provide information on:
 - the nature and potential impact of conflicts, and;
 - policy and procedures established to pro-actively address them.
- Administrative Policy 406 is viewable at oakland.edu/policies/406/.



Introduction

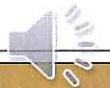
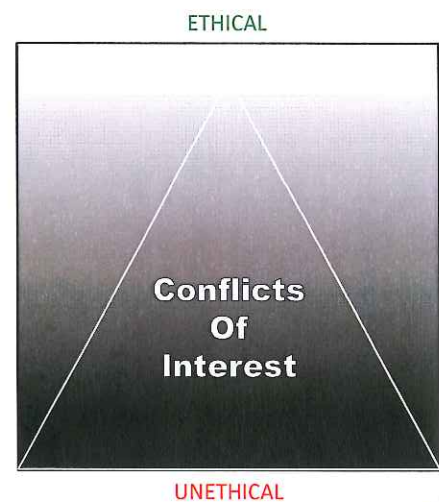
- Disclosure pro-actively helps protect the employee and the University from claims of conflict and potentially adverse actions resulting from them.
- Potential conflicts do not necessarily prohibit conducting business with a particular individual or company.



Introduction

When to Disclose

- University business + personal benefit MAY = conflict of interest.
- Conflict of interest situations often fall into shades of gray rather than black and white.
- University policy provides information necessary to determine if and when disclosure is necessary.



Definitions



- Conflicts of interest are situations in which someone conducting University business may be led to:
 - compromise or abandon sound, ethical judgment;
 - propose or support an arrangement not in the University's best interest;
 - pursue unfair personal or financial gain;
 - provide preferential treatment to family, friends or business associates, or;
 - act in a way that would damage the University's reputation and or public trust.



Definitions

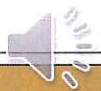


Conflicts of interest are:

- not necessarily unethical or impermissible;
- Sometimes unavoidable, and;
- in many cases capable of being appropriately managed.

However:

- Any University business activity has potential to create real or perceived conflicts.
- Employees must work vigilantly to recognize potential conflicts and remain sensitive to how various relationships can be perceived by others.



Definitions

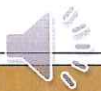
- Conflict of interest situations fall under four conditions that can lead to a person gaining unfair benefit through the execution of University business.

Arrangement

Family

Gift

Nepotism



Definitions

Arrangement

- An ethically questionable agreement involving the selling or purchase of goods and or services, the giving of gifts, or nepotism. In higher education this can involve:
 - Employment, purchasing and contracting practices;
 - Teaching and advising of students for a fee;
 - Admissions and grading practices, and more.



Examples



- A faculty member tutoring or coaching students from his/her class in return for payment
- A director of custodial services hiring his friend's wife's company to handle cleaning at special events without getting quotes from other vendors.
- An unqualified student being allowed to remain in a program as a "favor" because of a personal relationship between the admissions advisor and the student's parent.



Definitions

Family

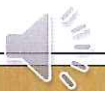
- Conflict of interest situations can involve an employees' family members and other personal relationships, including:
 - Immediate family;
 - in-laws;
 - half- and step-relationships;
 - domestic partners;
 - adoptees;
 - friends or neighbors
 - romantic partners, or
 - relatives of any of the above



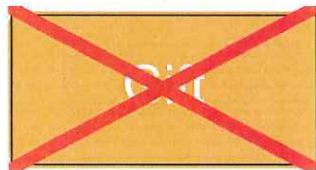
Definitions

Gift

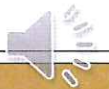
- Gifts are items of value including money, goods, entertainment, services, use of property or facilities, loans and price concessions.
- Items of token value and business meeting meals are not gifts.
- Gifts from current and potential business partners may be offered in goodwill, but also may be given to influence business decisions.



Definitions



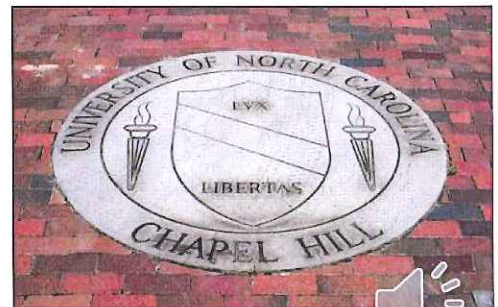
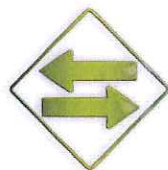
- Business is awarded to vendors based on the quality, service, competitive pricing and technical abilities they offer.
- **Do not accept – or permit close relations or colleagues to accept – gifts from anyone pursuing business with the University.**



A Case Study

Gifts offered in conflict of interest

A university department chair accepted football tickets, sideline passes and other favors from athletic counselors while agreeing to provide unsanctioned academic support to athletes.



Definitions

Nepotism

- According to google.com, nepotism is defined as the practice among those with power or influence of favoring relatives or friends, especially by giving them jobs.



A Case Study

Nepotism causes disruptions in the work place

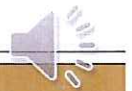
- Patent lack of fairness
- Employee dissatisfaction
- Lower morale
- Less incentive to be productive
- More complaints
- Eventual loss of quality personnel



A Case Study

The Story of Gill Corkindale of Harvard Business Online

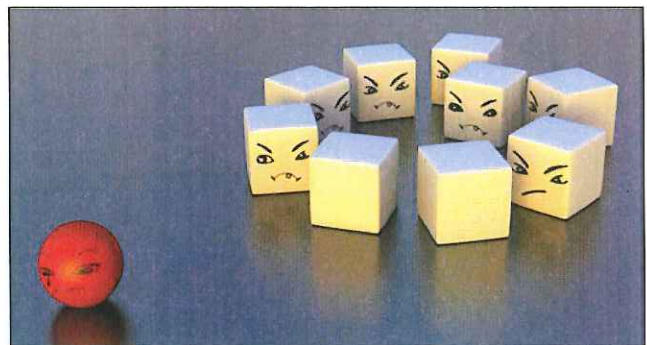
- At a former position in her career
- A young, inexperienced colleague is hired
- For months, she helps him acclimate
- Colleague is promoted to become her boss
- Upon learning colleague is an editor's nephew, Corkindale quits the paper



Definitions

Favoritism

Preferential treatment – such as hiring, promoting, honoring or awarding contracts – based on non-work-related characteristics, such as membership in a favored group, personal likes and dislikes, etc.



Definitions

Patronage

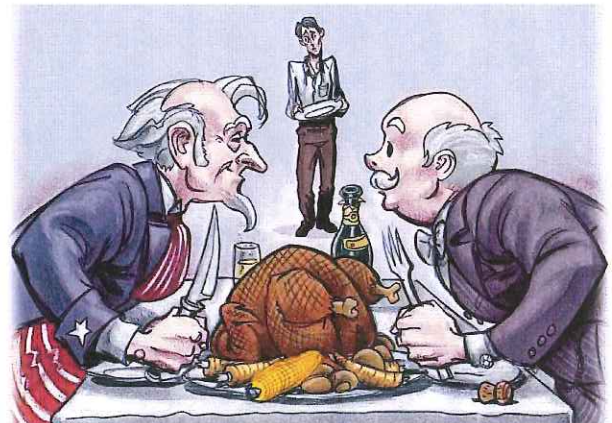
Awarding of jobs to a public office holder's supporters.



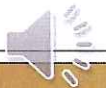
Definitions

Cronyism

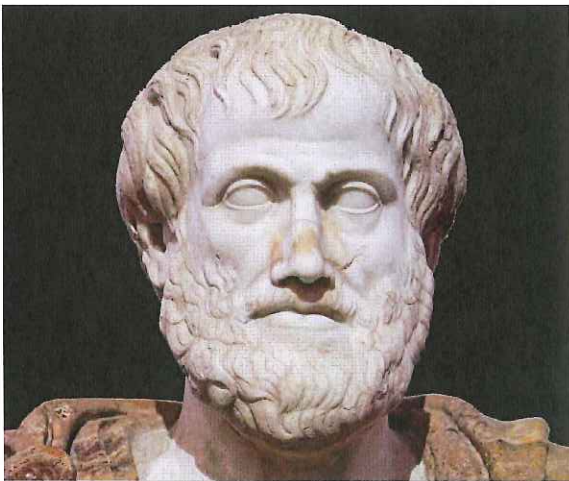
- Partiality towards friends and associates
- "It's not what you know but who you know."
- A network of insiders who confer favors on one another



wsj.com



Nepotism and Conflict



Favoritism, cronyism and nepotism

- "Equals should be treated equally and unequals unequally." – Aristototle
- All involve undue advantage being granted to someone who does not deserve it.
- All undermine public good by inviting inferior service due to insufficient qualifications or experience.



Nepotism and Conflict




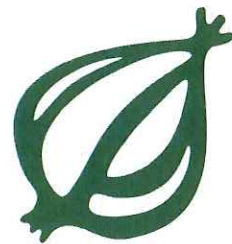
SATIRE

VIDEO POLITICS SPORTS SCIENCE/TECH LOCAL ENTERTAINMENT

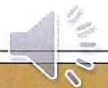
Nepotism Passed Off As Synergy

NEWS IN BRIEF • Family • Workplace • Coworkers • Rich • Business • ISSUE 37•23 • Jun 20, 2001

WHITEHOUSE STATION, NJ—The hiring of Adam Dwyer by Merck Pharmaceutical was described Monday by CEO James Dwyer as "tremendously synergistic." "With his impressive range of experiences, including one and a half years of bartending and four years of heavy pharmaceutical use at the University of Delaware, Adam brings a lot to the table," Dwyer said of his nephew. "We, in turn, can help Adam earn \$220,000 a year as vice-president of corporate communications for the Mid-Atlantic region." 



the ONION®



Examples

- External job candidate receives the position despite non-disclosure of the fact that she knows a search committee member well.
- An employee manages a business relationship between the University and a company with which a family member is employed or has financial interests.
- A Sports Camp Coordinator hires children of family, friends and neighbors because she believes doing so is permissible for temporary positions.
- The Director of Information Services writes a bid for a student tracking system, and then includes a company on the vendor listing for which he currently serves as a paid consultant.



Examples



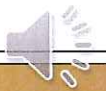
- An employee supervises, reviews, determines compensation for or assigns work to a family member at the University.
- An employee has, or is aware that a family member has, a significant interest in an outside business that provides goods or services to the University.
- An employee directs a grant, business opportunity or non-public information that could be beneficial to the University to a third party with which the employee has, or is aware that a family member has, a financial relationship.



Examples



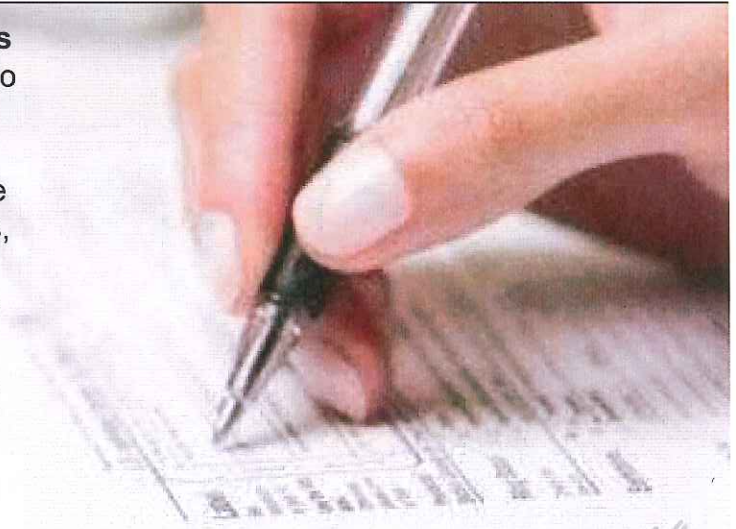
- Also, a conflict of interest **MAY** exist when a faculty, staff member or family member:
 - uses confidential information about the University to promote personal or family interest;
 - lends or borrows money or property from an entity or person who conducts business with the University, or;
 - uses University resources to promote individual or family interests.



Disclosure Requirements



- **Trustees, executives, deans and directors** must submit an **annual** disclosure, even if no conflicts exist.
- **All other employees** can submit a separate **self-disclosure** form for situational conflicts, or possible conflicts as they arise. [That disclosure form is available online](#). Conflicts can also be reported using the anonymous tips hotline.
- Disclosures are submitted in writing to the Conflict of Interest Review Committee at coireview@oakland.edu.



Conflict Review Process



- Conflict of Interest Review Committee (CRC)
 - Assistant Vice President for Human Resources
 - Internal Audit Director
 - Purchasing Manager
- Trustees and the President report conflict to the Chairperson of Board; all others report to the CRC.
 - A person with potential conflict must disclose all facts to the CRC.
 - Arrangement may be found to NOT be a conflict of interest.

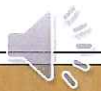


Avoiding Conflicts



Questions to ask yourself when interviewing job candidates

Are any candidates related to you?
Are any candidates friends with you?
Do you have a personal relationship with any candidates?



The Bottom Line

- Hire and promote the most qualified employees and business partners.
- All purchases should be "arms length" transactions with the vendor.
- Report all potential conflicts of interest to the CRC.
 - Email: coireview@oakland.edu
 - [Disclosure form](#)
 - [Fraud & Anonymous Tips Hotline](#) or call (248) 370 - 2374

