

# Draft Conflict of Interest Policy



- Intended to supplement existing state law and MICRC policies dealing with unethical conduct and/or conflicts of interest.
- Conflict(s) shall be disclosed and managed or eliminated to the extent practicable.
- Seeking approval of the proposed Policy.



# Definition of Conflict of Interest



A personal, professional, political, commercial, or financial interests or activities outside of the MICRC that may, either ~~in actuality or in appearance~~:

- 1) Compromise judgment in the performance of duties to the MICRC;
- 2) Bias the nature or direction of their actions related to the MICRC;
- 3) Influence their decision or behavior with respect to appointments and promotions, uses of MICRC resources, contracting, or other matters of interest to the MICRC; or
- 4) Result in a personal or Family Member's gain or advancement arising out of MICRC business.



# Definition of Family Member



- A spouse, domestic partner, parent, stepparent, dependent child or stepchild, or anyone else with whom the individual has a close, continuing personal or business relationship.
- Siblings and non-dependent children (including step- and in-law variants of those relationships) are included in this definition in circumstances where the individual has actual knowledge that such relative is likely to, or will, benefit from a particular MICRC transaction.
- Relevant factors in determining the existence of a close, continuing personal or business relationship include the duration, strength and intimacy of the relationship.



# Policy Highlights



1. Individual members of the MICRC, its staff, attorneys, consultants, and contractors, (“Agents”) stand in a relationship of trust and confidence to the MICRC and the residents of the State of Michigan.
2. Conflicting interests can undermine the judgment or objectivity of Agents and compromise their primary obligation to the MICRC. Bias or the appearance of bias may undermine public trust in the MICRC.
3. Therefore, all direct or indirect potential or actual conflicts of interest must be disclosed, evaluated, and, if found to be substantial or material, eliminated or managed as described in this Policy.



# Agents Shall:

1. Act in a manner that upholds and advances personal and professional honor, integrity, and the public's trust in the Agents and the MICRC.
1. Refuse to provide, promise to provide, or offer any contract, work, payment, special attention, preferential treatment, priority or other thing or position of value in exchange for any gift, gratuity, favor, promise or other consideration.
2. Refrain from engaging in conduct that could be reasonably perceived to call into question the honesty, integrity, and professionalism of the Agent or the MICRC.
3. Comply with all applicable laws and rules regarding conflicts of interest and transparency in governmental affairs.
4. Faithfully and accurately account for all public funds.



# Agents Shall Not:

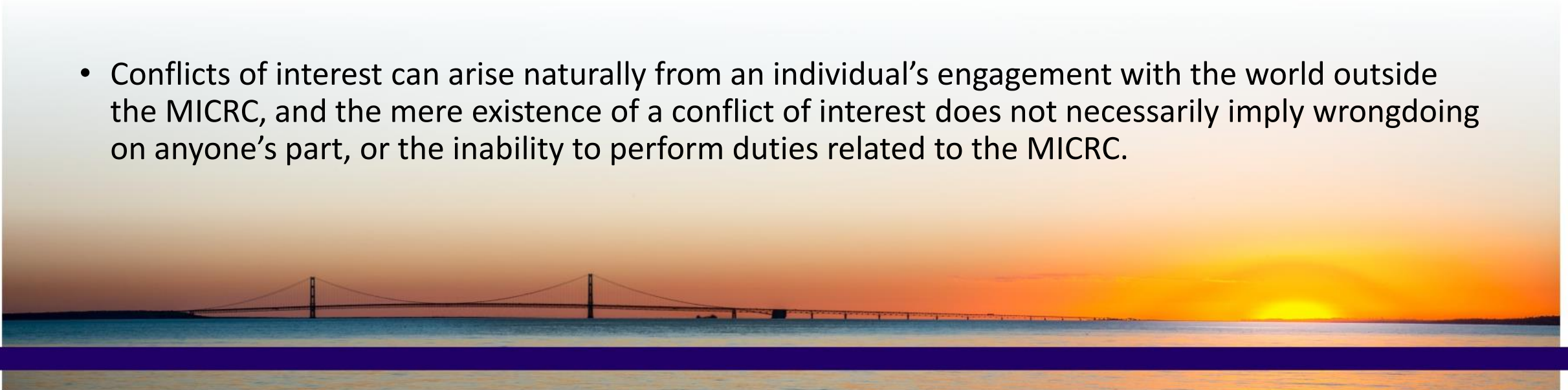


- a. Solicit or Accept Things of Value greater than \$20.00 for the benefit of any Person or organization, which may influence the manner in which the Agents performs their duties.
- b. Misuse Public Resources for the direct or indirect gain or benefit of the Agent or their Family Members.
- c. Engage in employment or rendering of services incompatible or in conflict with the discharge of the Agent's official duties or when that employment may tend to impair his or her independence of judgment or action in the performance of official duties.
- d. Participate in the negotiation or execution of contracts, or other regulation or supervision relating to a Person or business entity in which the Agent has a financial or personal interest.
- e. Show favoritism for Family Members or others.

# General Principles

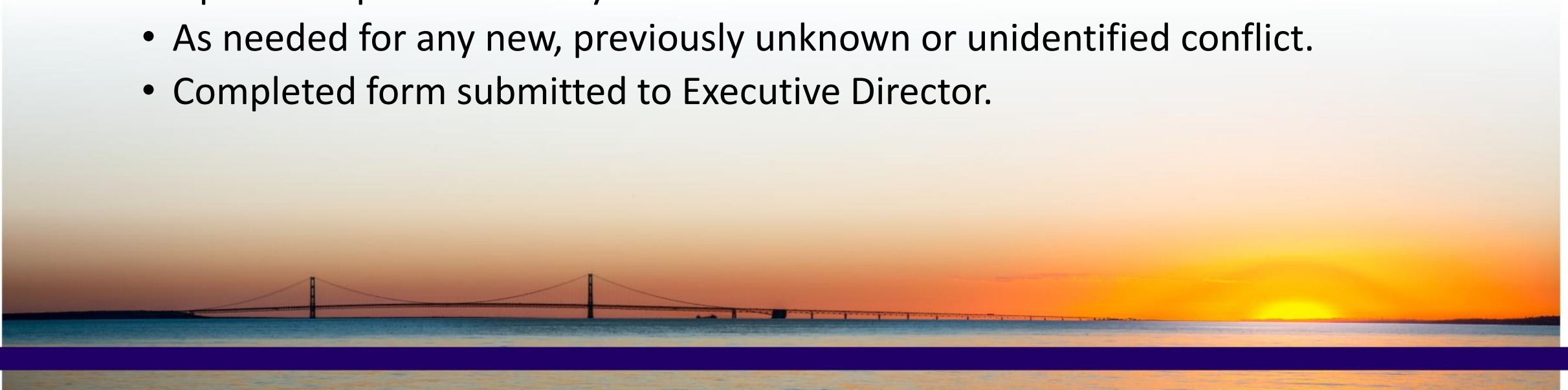


- Two key inquiries: 1) is it incompatible with the discharge of official duties or 2) does it impair independence of judgment in the performance of official duties?
- Generally, a conflict exists when an individual's external interest provides an incentive to **impermissibly** affect the individual's conduct of his or her MICRC activities.
- Conflicts of interest can arise naturally from an individual's engagement with the world outside the MICRC, and the mere existence of a conflict of interest does not necessarily imply wrongdoing on anyone's part, or the inability to perform duties related to the MICRC.



# Duty to Disclose

- Acknowledge receipt of Policy in writing.
- Disclosure of Potential Conflict of Interest:
  - Upon receipt of the Policy.
  - As needed for any new, previously unknown or unidentified conflict.
  - Completed form submitted to Executive Director.





# Conflicts Management



- MICRC staff conduct a review and make recommendation to the MICRC regarding the presence of an apparent, potential, or actual conflict and, if applicable, proposed actions to address it.
- If the MICRC, by majority vote, determines that:
  - An actual or potential conflict exists, it shall set forth the steps be taken to address the conflict;  
or
  - No conflict exists, the inquiry may be documented but no further action will be taken.
- Examples of management mechanisms include, but are not limited to, revising the reporting structure to place the decision-making capacity with a non-conflicted Agent; abstention in voting; divestiture of the interest; severing the relationship that creates the conflict.



# Violations



- Violation of this Policy may result in the:
  - Adoption of a Resolution of Censure by the MICRC;
  - Discipline or termination of staff;
  - Enforcement of contractual terms and conditions; or
  - Other appropriate action including, but not limited to, those remedies provided by relevant state law.