

BOARD MEMORANDUM

TO: Board of Regents
FROM: Andrea Anania
DATE: June 1, 2005 *ASN*
SUBJ: Quarterly Review of Conflict of Interest

Recommended Action:

Approve the following additions to the respective institution's list of approved vendors with a potential conflict of interest:

UNIVERSITY OF IOWA

- Marcy Albright / Travel Concepts, Inc.
- Adam Carroll / National Financial Educators
- Anne Remington
- Oleg Timofeyev / TALISMAN

IOWA STATE UNIVERSITY

- Connie L. Hardy, Consulting / Grain Marketing and Quality Measurement Systems
 - Harrison/Neppl/Davis, inc.
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Executive Summary:

Vendors at the Regent institutions with a potential conflict of interest are required by statute to be approved by the Board.

UNIVERSITY OF IOWA

Marcy Albright / Travel Concepts, Inc.

Nature of Business	Travel Concepts, Inc. is a travel service business. Marcy Albright is the president of Travel Concepts, Inc., which is located in Iowa City, Iowa.
Employee Relationship	Marcy Albright is the spouse of John Albright, who is a full-time professor in the Orthopaedics and Rehabilitation Department at the University of Iowa.
Previous Payments	The University reports that previous payments were made to Travel Concepts, Inc. The payments, which were not originated by the Orthopaedics and Rehabilitation Department (ORD), include \$14,126 for FY 2005 and \$3,500 for FY 2004.
Purchasing Authority	The University reports that: <ul style="list-style-type: none">• John Albright does not have any purchase order or payment authority for his department;• John Albright has not been issued a procurement card; and• Should ORD award a bid to Travel Concepts, Inc., ORD will secure bids from at least three travel service vendors and provide each vendor's quote as documentation in cases where Travel Concepts, Inc. is solicited and they are deemed to be the low bid vendor.

Adam Carroll / National Financial Educators

Nature of Business	National Financial Educators provides financial literacy programs to college students nationwide. Adam Carroll is the CEO of the company, which is located in Clive, Iowa.
Employee Relationship	Adam Carroll is the spouse of Jennifer Carroll, who is a full-time Program Associate I in the College of Public Health, Epidemiology Department, at the University of Iowa. Ms. Carroll works at the Preventive Intervention Center satellite facility in Des Moines, Iowa.
Purchasing Authority	The University reports that: <ul style="list-style-type: none">• Jennifer Carroll does not have any purchase order or payment authority for her department;• Jennifer Carroll has not been issued a University procurement card; and• The Epidemiology Department will not enter into any transactions with National Financial Educators.

Anne Remington

- Nature of Business Anne Remington provides writing, marketing, and consulting services, and specializes in higher education, fundraising, and small business markets. Ms. Remington is the owner and sole proprietor of the business, which is located in Iowa City, Iowa.
- Employee Relationship Anne Remington is the spouse of Theodore Remington, who is employed on a 75% basis as a Program Assistant in the College of Liberal Arts and Sciences, Rhetoric Department, at the University of Iowa.
- Purchasing Authority The University reports that:
- Theodore Remington does not have any purchase order or payment authority for his department;
 - Theodore Remington has not been issued a University procurement card; and
 - The Rhetoric department will not enter into any transactions with Anne Remington.

Oleg Timofeyev / TALISMAN

- Nature of Business TALISMAN is a musical entertainment ensemble that specializes in rare Russian repertoires. Oleg Timofeyev, a resident of Iowa City, is a partner in the ensemble.
- Employee Relationship Oleg Timofeyev is a visiting Assistant Professor that is employed on a 33% basis in the College of Liberal Arts and Sciences, Asian Language and Literature Department, Russian program, at the University of Iowa. (The Russian program is administered by the Asian Language and Literature Department.)
- Purchasing Authority The University reports that:
- Oleg Timofeyev does not have any purchase order or payment authority for his department;
 - Oleg Timofeyev has not been issued a University procurement card;
 - The Asian Language and Literature Department is aware of Mr. Timofeyev's business and his intention to provide services to the department;
 - Mr. Timofeyev's supervisor will monitor his activities to ensure that his business will remain separate from his normal job duties;
 - All purchases from TALISMAN will (1) be on a sole source basis, (2) be accepted on a case-by-case basis by the purchasing department, and (3) will have the approval of the Asian Language and Literature Department Chairperson in addition to the normal approval signatures; and
 - Mr. Timofeyev will not participate in any evaluation or award decisions relative to his providing services to SUI.

IOWA STATE UNIVERSITY

Connie L. Hardy, Consulting / Grain Marketing and Quality Measurement Systems

Nature of Business Connie L. Hardy, Consulting / Grain Marketing and Quality Measurement Systems provides market information for utilizing new characteristics of corn and soybeans and for technical guidance in measuring end-use characteristics of grain. Ms. Hardy is the owner of the company, which is located in Ames, Iowa.

Employee Relationship Connie Hardy is temporarily employed part-time in the Department of Food Science and Human Nutrition, which is jointly administered by the College of Agriculture and the College of Family and Consumer Sciences. Ms. Hardy's employment is temporary and will end by June 30, 2005.

Connie Hardy is also the spouse of Charles R. Hurburgh, who is a full-time Professor in the College of Engineering, Agricultural and Biosystems Department, at Iowa State University.

Purchasing Authority The University reports that:

- Neither Connie Hardy nor Charles Hurburgh will participate in any evaluation or award decisions relative to Connie L. Hardy, Consulting / Grain Marketing and Quality Measurement Systems providing good or services to ISU;
- Ms. Hardy will not sell consulting services to the University until her employment at the University ends;
- The Agricultural and Biosystems Engineering Department will not enter into any transactions with Connie L. Hardy, Consulting / Grain Marketing and Quality Measurement Systems.

Harrison/Nepp/Davis, inc.

Nature of Business Harrison/Nepp/Davis, inc. provides landscape architectural and land use planning services. Tom Nepp is the sole owner of the company, which is located in Ames, Iowa.

Employee Relationship Tom Nepp is the spouse of Tricia K. Nepp, who is a full-time Research Scientist in the Institute for Social and Behavioral Research, which is associated with the Colleges of Liberal Arts and Sciences, Family and Consumer Sciences, and Agriculture.

Purchasing Authority The University reports that Ms. Nepp will not participate in any evaluation or award decisions relative to Harrison/Nepp/Davis providing good or services to ISU.

Background:

Requirements

The Iowa Code [68B]:

- Does not alleviate the requirement for institutions to obtain competitive bids and provide public notice.
- Prohibits an official or employee of a regulatory agency from selling, either directly or indirectly, goods or services to the agency of which the individual is an official or employee, except when certain conditions are met.
- Requires all regulatory agencies to adopt rules specifying the method by which employees may obtain agency consent for exception.

The Iowa Administrative Code [681—8.9]:

- Precludes individuals with potential conflicts from being directly involved in the purchasing decisions or authorizing of any such contracts making material changes to such contracts.
- Requires Board authorization when a single purchase from a conflict of interest vendor (Regent employee) exceeds \$1,000 or a fiscal year's cumulative purchases exceed \$2,000.
- Requires that a summary of institutional expenditures with approved conflict of interest vendors will be included in the annual purchasing report.

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