

Contact: Andrea Anania

### CONFLICT OF INTEREST VENDORS

**Action Requested:** Consider approval of the following vendors with a potential conflict of interest::

- ◆ Erik T. Balster / Balster Pediatric Dentistry P.C.
- ◆ Mike's Lock and Key

**Executive Summary:** Vendors at the Regent institutions and the Board Office with a potential conflict of interest are required by statute to be approved by the Board of Regents.

**Erik T. Balster, D.D.S. / Balster Pediatric Dentistry P.C.** is a private practice that specializes in pediatric dentistry. Dr. Balster owns the business, which is located in Cedar Rapids, Iowa.

Dr. Balster is employed on a 20% basis as an Adjunct Assistant Professor in the Pediatric Dentistry Department in the College of Dentistry at the University of Iowa.

The University reports that:

- ◆ The Department of Pediatric Dentistry has a program that refers special needs patients to local pediatric dentists and pays for necessary dental treatment;
- ◆ Dr. Balster is the only pediatric dentist in that area of the state;
- ◆ The program coordinator has asked that Dr. Balster accept referrals and provide treatment;
- ◆ This work is not connected with Dr. Balster's position as an Adjunct Assistant Professor; and
- ◆ Dr. Balster does not have any authority to issue purchase orders or approve payments for his department, nor has he been issued a University procurement card.

**Mike's Lock and Key** is a locksmith service. Mike Merritt is the owner of the business, which is located in Riverside, Iowa.

Mr. Merritt's wife, Andrea Merritt, is employed on an 80% basis as a Staff Nurse II in the Ambulatory Care Digestive Disease Unit at the University of Iowa Hospitals and Clinics.

The University reports that Ms. Merritt does not have any authority to issue purchase orders or approve payments for her department, nor has she been issued a University procurement card.

### Background:

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 \$2,000 unless the sale is made after public notice and competitive bidding.

Once a vendor with a potential conflict of interest is approved by the Board, any Regent institution is authorized to purchase from the vendor.