CONFLICT OF INTEREST VENDORS

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

- University of Iowa
- Mullen’s Body Shop
- Antúnez de Mayolo Law Office

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.

Mullen’s Body Shop (MBS) is an auto repair service shop. Kevin Mullen is co-owner of the business, which is located in Winfield, Iowa.

Mr. Mullen’s wife, Jeanne Mullen, is employed on a full-time basis as a Clerk IV in the Departments of German, Spanish, and Portuguese, in the College of Liberal Arts & Sciences, at the University of Iowa.

The University reports that:

- Jeanne Mullen does not have any authority to issue purchase orders or approve payments for her department;
- Jeanne Mullen has been issued a University procurement card; all transactions are reviewed and approved by the Administrative Assistant II in the Language Media Center;
- Jeanne Mullen will not participate in any discussions, decisions, business transactions, or correspondence involving MBS and the University of Iowa; and
- The Departments of German, Spanish, and Portuguese will solicit competitive bids whenever MBS is involved.

Antúnez de Mayolo Law Office (ADMLO) provides legal services. Miryam Antúnez de Mayolo owns the business, which is located in Cedar Falls, Iowa.

Miryam Antúnez de Mayolo’s husband, Dr. Philip Mauceri, is employed full-time as a Professor and Chair in the Department of Political Science (DPS), College of Social and Behavioral Sciences (CSBS), at the University of Northern Iowa.

The University reports that:

- Dr. Mauceri does not have sole authority to issue purchase orders or approve payments relevant to transactions involving ADMLO; secondary approval is required;
- Dr. Mauceri has not been issued a University procurement card; and
- The DPS and CSBS Dean acknowledge awareness of ADMLO’s request to do business as a conflict of interest vendor and agree that Dr. Mauceri will have no influence to award a contract or approve payments relevant to services provided by ADMLO.
**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 that vendor.