CONFLICT OF INTEREST VENDORS

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

**UNIVERSITY OF IOWA**
- Haack Scuba
- Towncrest Investments L.P.
- TZ Press, L.L.C.

**UNIVERSITY OF NORTHERN IOWA**
- Constructivist Childhood Materials
- Iowa Metaverse, Inc.

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

**UNIVERSITY OF IOWA**

Haack Scuba (HS) provides scuba equipment and training services. James A. Haack owns the business, which is located in Muscatine, Iowa.

James A. Haack is employed on a full-time basis as an Adjunct Assistant Instructor in the General University College (GUC) at the University of Iowa. The GUC oversees courses and programs in the College of Liberal Arts and Sciences and offers courses in Lifetime Leisure Skills. Mr. Haack teaches scuba courses coordinated by the Division of Recreational Services (DRS) in the Department of Lifetime Leisure Skills.

The University reports that:

- James A. Haack does not have any authority to issue purchase orders or to approve payments for his department, nor has he been issued a University procurement card;
- James A. Haack will not participate in any discussions, decisions, business transactions, or correspondence involving HS and the University of Iowa; and
- The DRS will solicit competitive bids whenever HS is involved.

Towncrest Investments L.P. (TI) is an office rental business. Ernest Stoppelmoor is the general partner and holds a 90.1% interest in the company, while his wife, Nancy L. Harney, holds a 9.9% interest. The business is located in Iowa City, Iowa.

Nancy L. Harney, is employed on a full-time basis as a Human Resource Generalist I in the Department of Radiology (DOR) at the University of Iowa Hospitals and Clinics.

The University reports that:

- Nancy L. Harney does not have any authority to issue purchase orders or to approve payments for her department;
- Nancy L. Harney has not been issued a University procurement card;
- Nancy L. Harney will not participate in any discussions, decisions, business transactions, or correspondence involving TI and the University of Iowa; and
- The DOR will solicit competitive bids whenever TI is involved.
TZ Press, L.L.C. (TZP) is a publication business focusing on health and medical humanities. Dr. Terry L. Wahls owns the business, which is located in Iowa City, Iowa.

Dr. Wahls is employed on a full-time basis as a Clinical Associate Professor in the Department of Internal Medicine (DOIM), Carver College of Medicine, at the University of Iowa Hospitals and Clinics.

The University reports that:

- Dr. Wahls does not have any authority to issue purchase orders, but does have authority to approve payments for her department;
- Dr. Wahls has not been issued a University procurement card;
- Dr. Wahls will not participate in any discussions, decisions, business transactions, or correspondence involving TZP and the University of Iowa; and
- The DOIM will solicit competitive bids whenever TZP is involved.

UNIVERSITY OF NORTHERN IOWA

Constructivist Childhood Materials (CCM) sells early childhood educational materials. Christina Sales is the President/CEO of the company, which is located in Waterloo, Iowa.

Christina Sales is employed on a full-time basis as an Assistant Professor of Early Childhood Education at the Price Laboratory School (PLS), Department of Teaching (DOT), College of Education (COE), at the University of Northern Iowa.

The University reports that:

- Christina Sales does not have any authority to issue purchase orders or to approve payments for services for her department, nor has she been issued a University procurement card;
- PLS and COE acknowledge awareness of Christina Sales’ request to do business as a conflict of interest vendor and will permit these efforts as long as they are conducted outside the workplace and on her own time;
- PLS and COE agree that Christina sales will have no influence in awarding a contract or approving any payments relevant to CCM; and
- PLS and COE agree to not purchase services from CCM without prior bidding, where appropriate.
Iowa Metaverse, Inc. (IMI) develops and operates regions, islands, and servers in and for virtual worlds. Daniel J. Power is Executive Director of the company, which is located in Cedar Falls, Iowa.

Daniel J. Power is employed on a full-time basis as a Professor in the Department of Management (DOM), College of Business Administration (CBA), at the University of Northern Iowa.

The University reports that:

- Daniel J. Power does not have any authority to issue purchase orders or to approve payments for services for his department, nor has he been issued a University procurement card;
- DOM and CBA: (1) acknowledge awareness of Daniel J. Power’s request to do business as a conflict of interest vendor and will permit these efforts as long as they are conducted in support of approved University curriculum and not for personal profit;
- CBA agrees that Daniel J. Power will have no influence to award services or approve payments relevant to services provided by IMI; and
- CBA and DOM agree to not purchase services from IMI without prior bidding, where appropriate, and review of outside experts, if necessary.

**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 (Regents 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 Regents institution is authorized to purchase from that vendor.