CONFLICT OF INTEREST VENDORS

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

UNIVERSITY OF IOWA
- Go Low, LLC

IOWA STATE UNIVERSITY
- Cowan Research, L.C.
- Robert Thompson

UNIVERSITY OF NORTHERN IOWA
- Where Two Corners Meet

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.

UNIVERSITY OF IOWA

Go Low, LLC (Go Low) is a leasing company. Jack Zimmerman and Jay Strunk each have ownership in the business, which is located in North Liberty, Iowa.

Jack Zimmerman’s wife, Kelli Zimmerman, is employed on an 80% basis as a Chief Diagnostic Radiology Technologist in the Department of Radiology (DOR) at the University of Iowa Hospitals and Clinics (UIHC).

Jay Strunk’s wife, Melissa Strunk, is employed on a full-time basis as a Senior Occupational Therapist in the Department of Rehabilitation Therapies (DRT) at UIHC.

The University reports that:

- Neither Kelli Zimmerman nor Melissa Strunk have any authority to issue purchase orders or to approve payments for their respective departments;

- Kelli Zimmerman has not been issued a procurement card. However, Melissa Strunk has been issued a procurement card; the Administrative Assistant and the Director of Rehabilitation Therapies reviews and approves her purchases;

- Neither Kelli Zimmerman nor Melissa Strunk will participate in any discussions, decisions, business transactions, or correspondence involving Go Low and the University of Iowa; and

- DOR and DRT will solicit competitive bids whenever Go Low is involved.
IOWA STATE UNIVERSITY

Cowan Research, L.C. produces and sells software for financial research, education, and consulting. Dr. Arnold Cowan has a 90% ownership in the business, which is located in Ames, Iowa.

Dr. Cowan is employed on a full-time basis as a Professor in the Department of Finance (DOF), College of Business (COB), at Iowa State University. He wishes to do business with the University of Iowa (SUI) and the University of Northern Iowa (UNI).

The University reports that:

- Dr. Cowan has not been issued a university procurement card;
- Dr. Cowan will not participate in any discussions, decisions, business transactions, or correspondence involving his business and the Regent institutions, nor will he have any authority to make any University purchasing or payment decisions associated with his business;
- The DOF and COB Dean acknowledge awareness of Dr. Cowan's request to do business with SUI and UNI as a conflict of interest vendor and will permit these efforts as long as they are conducted outside the workplace and on his own time. Finance Department Chair Dr. Frederick Dark is also aware of this request and will assure that the work is conducted outside the ISU workplace; and
- Dr. Cowan reports that he will not sell products or services to ISU and COB reports that it will not purchase products/services from Cowan Research; DOF COB therefore anticipates no conflict with Dr. Cowan serving on University committees.

Robert Thompson is an independent contractor that provides services in the area of safety data systems and applications. He lives in Ames, Iowa.

Robert Thompson's wife, Susan Thompson, is employed as a part-time occasional hourly employee in the Institute for Social Behavioral Research (ISBR) at Iowa State University.

The University reports that:

- Susan Thompson has not been issued a university procurement card;
- Susan Thompson will not participate in any discussions, decisions, business transactions, or correspondence involving Robert Thompson's business, nor will she have any authority to make any University purchasing or payment decisions associated with Robert Thompson's business;
- No University resources will be consumed or utilized to perform the services provided, nor will Robert Thompson provide services to ISBR; and
- ISU will solicit competitive bids whenever a conflict exists.
UNIVERSITY OF NORTHERN IOWA

Where Two Corners Meet (WTCM) provides custom picture framing. Russell Grimm owns the business, which is located in Dysart, Iowa.

Russell Grimm’s wife, Linda Grimm is employed on a part-time basis as an adjunct instructor in the Department of Theatre (DOT), College of Humanities and Fine Arts (CHFA), at the University of Northern Iowa.

The University reports that:

- Linda Grimm does not have any authority to issue purchase orders or approve payments for her department, nor has she been issued a University procurement card;

- DOT and the CHFA Dean acknowledge awareness of Russell Grimm’s request to do business as a conflict of interest vendor and agree that Linda Grimm would have no influence in awarding a University contract or approving payments relevant to WTCM; and

- DOT and CHFA will not purchase services from WTCM 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.

- Requires the person making a permissible sale under this statute to file a report with the Iowa Ethics and Campaign Disclosure Board disclosing the transaction.

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.