

Contact: Andrea Anania

CONFLICT OF INTEREST VENDORS

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

UNIVERSITY OF IOWA

- ♦ Five Stars Taxi LLC
- ♦ Innovative Software Engineering LLC
- ♦ Raymond Slach Farms

IOWA STATE UNIVERSITY

- ♦ LandViz•Media, LLC

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.

Five Stars Taxi LLC is a taxi service. Hatem Moustafa, Mohamed Hassanein, and Yasser Gaber own the business, which is located in Iowa City, Iowa.

Mr. Moustafa's wife, Samah Aweda, is employed on a full-time basis as a Lab Technician I in the Department of Pathology at the University of Iowa Hospitals and Clinics (UIHC).

Mr. Hassanein's wife, Abir Mohamed, is employed on a full-time basis as a Phlebotomist I in the Department of Pathology at UIHC.

Mr. Gaber is employed on a full-time basis as a Food Service Supervisor in the Department of Food and Nutrition Services at UIHC. Mr. Gaber's wife, Gehan Elgazar, is employed on a 50% basis as a Phlebotomist I in the Department of Pathology at UIHC.

The University reports that Samah Aweda, Amir Mohamed, Gehan Elgazar, and Yasser Gaber do not have any authority to issue purchase orders or to approve payments for their departments, nor have they been issued University procurement cards.

Innovative Software Engineering LLC is a custom software development service. Hassanayn Machlab is the owner of the business, which is located in Coralville, Iowa.

Mr. Machlab's wife, Ann Marie Machlab, M.D., is employed on a 55% basis as an Associate in the Carver College of Medicine, Department of Internal Medicine, at the University of Iowa.

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

Raymond Slach Farms is a hog farming business. Raymond Slach is the owner of the business, which is located in West Branch, Iowa.

Mr. Slach's wife, Nancy Slach, is employed on a full-time basis as an Assistant in Instruction in the College of Dentistry, Department of Periodontics, at the University of Iowa.

The University reports that:

- ♦ The company has been a vendor of the University for a couple of years and previous payments were made to this company and discovered through the strengthened conflict of interest review process, which includes review of current vendors. Ms. Slach did not participate in the order or payment decisions and approvals; and
- ♦ Ms. Slach does not have any authority to issue purchase orders or approve payments for her department, nor has she been issued a University procurement card.

LandViz•Media, LLC provides consulting services focusing on digital media development and data visualization. Christopher Seeger and his wife own the company, which is located in Boone, Iowa.

Christopher Seeger is employed on a 50% basis as a Specialist in Landscape Architecture in Extension to Communities and Economic Development and on a 50% basis as an Assistant Professor in the College of Design, Department of Landscape Architecture, at Iowa State University.

The University reports that Mr. Seeger will not participate in any evaluation or award decisions relative to his providing goods or services to Iowa State University, nor has he 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.