

Contact: Andrea Anania

CONFLICT OF INTEREST VENDORS

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

UNIVERSITY OF IOWA

- ◆ Electro-Mech Inc.
- ◆ Thompson Cabinets & Construction Company
- ◆ ViewPoint Molecular Targeting, LLC

IOWA STATE UNIVERSITY

- ◆ Jane Reschly-Murdoch

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

Electro-Mech Inc. (EMI) is a scientific equipment repair and machining fabrication service. Daniel Wenman owns the business, which is located in North Liberty, Iowa.

Daniel Wenman's wife, Diane Wenman, is employed on a full-time basis as a Dental Assistant II in the Dental Clinic Administration Department (DCAD), College of Dentistry (COD), at the University of Iowa.

The University reports that:

- ◆ Diane Wenman does not have any authority to issue purchase orders or to approve payments for DCAD, nor has she been issued a procurement card;
- ◆ Diane Wenman will not participate in any discussions, decisions, business transactions, or correspondence involving EMI and the University of Iowa; and
- ◆ DCAD COD will solicit competitive bids whenever EMI is involved.

Thompson Cabinets & Construction Company (TCCC) is a cabinet construction business. Brian Arnold holds a 50% interest in the business, which is located in Riverside, Iowa.

Brian Arnold's wife, Michelle Arnold, is employed on a 90% basis as a Research Assistant II in the Holden Comprehensive Cancer Center (HCCC), Clinical Trials Division (CTD), College of Medicine (COM), at the University of Iowa.

The University reports that:

- ◆ Michelle Arnold does not have any authority to issue purchase orders or to approve payments for CTD, nor has she been issued a procurement card;
- ◆ Michelle Arnold will not participate in any discussions, decisions, business transactions, or correspondence involving TCCC and the University of Iowa; and
- ◆ HCCC COM will solicit competitive bids whenever TCCC is involved.

ViewPoint Molecular Targeting, LLC (VPMT) makes and sells targeted molecular imaging and therapy agents for diagnosis, therapy, and monitoring of cancer and other diseases. VPMT also develops enabling chemical technologies used for making molecular modifications to molecular targeting agents.

Dr. Schultz holds a 33% interest in the company. Dr. Schultz's wife, Dr. Frances Johnson, also holds a 33% interest in the company. VPMT is located in Charleston, South Carolina.

Dr. Schultz is employed on a full-time basis as a Visiting Assistant Professor in the Department of Radiology (DOR), College of Medicine (COM), at the University of Iowa. Dr. Johnson is employed on a full-time basis as a Clinical Associate Professor, Department of Internal Medicine (DIM), College of Medicine (COM), at the University of Iowa.

The University reports that:

- ◆ Dr. Schultz does not have any authority to issue purchase orders or to approve payments for DOR, nor has he been issued a procurement card;
- ◆ Dr. Johnson does not have any authority to issue purchase orders or to approve payments for DIM. She has been issued a procurement card; the senior accountant in medical administration reviews and approves Dr. Johnson's procurement card transactions; and
- ◆ A conflict of interest management plan is in place for each individual with his/her respective department.

IOWA STATE UNIVERSITY

Jane Reschly-Murdoch provides student teaching and practicum supervision. She is located in Ames, Iowa.

Jane Reschly-Murdoch's husband, Alan Murdoch, is employed on a full-time basis as a Professor in the Department of Kinesiology, College of Human Sciences, at Iowa State University.

The University reports that:

- ◆ Dr. Murdoch has not been issued a University procurement card;
- ◆ Dr. Murdoch will not have any authority to make any purchasing or payment decisions associated with Jane Reschly-Murdoch's services;
- ◆ Jane Reschly-Murdoch will not sell products/services to the department in which Dr. Alan Murdoch is employed; and
- ◆ Dr. Murdoch will not participate in any discussions, decisions, business transactions, or correspondence involving Jane Reschly-Murdoch's services and ISU.

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.