

MEMORANDUM

To: Board of Regents
From: Board Office
Subject: Quarterly Review of Conflict of Interest
Date: March 2, 2005

Recommended Action:

Approve the following additions to the University of Iowa's list of approved vendors with a potential conflict of interest:

- Kate Karacay dba Bahri Karacay Band
 - Aaron Sieren
 - Diana Thomas LMT – In Touch Therapeutic Massage Clinic
 - Michael L. Barber & Kristina K. Barber
Resource Development Associates dba Trip Personal Pizza
 - Melinda Pradarelli dba Melinda Pradarelli And Co
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Executive Summary:

Vendors at the Regent institutions with a potential conflict of interest are required by statute to be approved by the Board.

UNIVERSITY OF IOWA**Kate Karacay dba Bahri Karacay Band**

Nature of Business	Kate Karacay dba Bahri Karacay Band is a musical group that plays Turkish Folk and pop music. Kate Karacay is the agent for the Band, which is located in Iowa City, Iowa.
Employee Relationship	Kate Karacay is the spouse of Bahri Karacay, who is a full-time Assistant Research Scientist in the College of Medicine, Department of Pediatrics, at the University of Iowa.
Purchasing Authority	The University reports that: <ul style="list-style-type: none"> • Bahri Karacay does not have any purchase order, payment authority, or procurement authority for his department; and • The Department of Pediatrics will not enter into any transactions with the Bahri Karacay Band.

Aaron Sieren

Nature of Business Aaron Sieren supplies sheep for research purposes and is a sole proprietor. Mr. Sieren is located in Sigourney, Iowa.

Employee Relationship Aaron Sieren is the spouse of Jeri Sieren, who is a full-time Research Assistant III, Clinical Research Coordinator at the University of Iowa. Ms. Sieren splits her time between:

- The College of Public Health, Department of Biostatistics (20% time), where Ms. Sieren collects, analyzes, processes, and reports patient health data; and
- The College of Medicine, Department of Neurology (80% time), where Ms. Sieren is a nurse research coordinator and is involved with stroke patients that participate in clinical drug trials.

Purchasing Authority The University reports that:

- Jeri Sieren does not have any purchase order or payment authority for her department;
- Jeri Sieren has not been issued a University procurement card; and
- The Neurology and Biostatistics Departments will not enter into any transactions with Aaron Sieren.

Diana Thomas, LMT – In Touch Therapeutic Massage Clinic

Nature of Business Diana Thomas, LMT – In Touch Therapeutic Massage Clinic, provides therapeutic massages. Ms Thomas is the sole proprietor of the clinic, which is located in Iowa City, Iowa.

Employee Relationship Diana Thomas is the spouse of Geb W. Thomas, who is a full-time Assistant Professor in the College of Engineering, Department of Industrial Engineering, at the University of Iowa.

Purchasing Authority The University reports that:

- Geb Thomas does not have any purchase order or payment authority for his department;
- Geb Thomas has not been issued a University procurement card; and
- The College of Engineering, Department of Industrial Engineering, will not enter into any transactions with In Touch Therapeutic Massage Clinic.

Michael L. Barber and Kristina K. Barber
Resource Development Associates dba Trip Personal Pizza

Nature of Business	Resource Development Associates dba Trip Personal Pizza is a pizza distributorship. Michael L. Barber is the president of the company, which is located in Iowa City, Iowa.
Employee Relationship	Michael L. Barber is the spouse of Kristina K. Barber, who is a full-time Associate Director for the Consortium for Substance Abuse and Evaluation at the University of Iowa.
Previous Payments	<p>The University reports that Trip Personal, a skin care products company, was approved by the Board as a conflict of interest vendor in June 2004.</p> <p>Trip Personal Pizza and Trip Personal are doing business under the corporation Resource Development Associates. Trip Personal Pizza was discovered through the strengthened conflict of interest review process implemented at the University, which included the review of all current vendors.</p>
Purchasing Authority	<p>The University reports that:</p> <ul style="list-style-type: none">• Kristina Barber has purchase order, payment, and University procurement card authority for her department;• Department Director Stephan Arndt reviews and approves all requests from Ms. Barber for goods and services for her own use. Department Administrative Assistant Julia Neff reviews and prepares Ms. Barber's procurement card purchases and Mr. Arndt approves them for payment;• The Iowa Consortium for Substance Abuse and Evaluation will not enter into any transactions with Resource Development Associates dba Trip Personal Pizza; and• Michael and Kristina Barber will contact the purchasing department to request the authorization of additional businesses under Resource Development Associates.

Melinda Pradarelli dba Melinda Pradarelli And Co

Nature of Business Melinda Pradarelli And Co provides writing, marketing, and consulting services. Ms. Pradarelli is the sole proprietor of the company, which is located in Iowa City, Iowa.

Employee Relationship Melinda Pradarelli is the spouse of Stephen Pradarelli, who is a full-time Program Assistant II for University Relations, Department of University of Iowa News Services, at the University of Iowa.

Previous Payments The University reports that the following previous payments were made to Melinda Pradarelli: \$600 in FY 2005; \$8,785 in FY 2004; and \$7,198 in FY 2003. Stephen Pradarelli has been employed by the University since January, 1999.

This particular vendor was discovered through the strengthened conflict of interest review process implemented at the University, which included the review of all current vendors.

Purchasing Authority The University reports that:

- Stephen Pradarelli does not have any purchase order or payment authority for his department, except when the director is out of the office. Purchase order and payment authority is delegated to Assistant Director Stephen Pradarelli on these occasions;
- Stephen Pradarelli has not been issued a University procurement card; and
- The University News Services department has not and will not enter into any transactions with Melinda Pradarelli And Co.

Background:

Requirements

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 \$1,000 or a fiscal year's cumulative purchases exceed \$2,000.
 - Requires that a summary of institutional expenditures with approved conflict of interest vendors will be included in the annual purchasing report.
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Andrea L. Anania

Approved:



Gregory S. Nichols

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