

**Contact: Andrea Anania**

**CONFLICT OF INTEREST VENDORS**

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

UNIVERSITY OF IOWA	IOWA STATE UNIVERSITY	UNIVERSITY OF NORTHERN IOWA
♦ AMY SCHOON's Words That Count	♦ Biotronics, Inc.	♦ Cedar Valley Information Technology Services, LLC
♦ Eckrich Tool		♦ Environmental Lubricants Manufacturing, Inc.
♦ Los Cabos Mexican Restaurant		♦ Tallcorn Music, Inc.
♦ Newton Designs		♦ Hilltoppers
♦ Schiller Solutions, LLC		
♦ Suzy Maktabi		

**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**

**AMY SCHOON's Words That Count** provides freelance writing and editing services. Amy Schoon owns the business, which is located in Iowa City, Iowa.

Amy Schoon's husband, Tim Schoon, is employed on a full-time basis as a Photojournalist in the Office of University Relations, University Relations Publications Department (URPD), at the University of Iowa.

The University reports that:

- ♦ Tim Schoon does not have any authority to issue purchase orders or approve payments for his department, nor has he been issued a University procurement card;
- ♦ Tim Schoon will not participate in any discussions, decisions, business transactions, or correspondence involving AMY SCHOON's Words That Count and the University; and
- ♦ The University will solicit competitive bids whenever URPD and AMY SCHOON's Words That Count are involved.

**Eckrich Tool** is a tools supply business. Denny Eckrich is the sole proprietor of the business, which is located in Tiffin, Iowa.

Denny Eckrich's wife, Melissa Eckrich, is employed on a full-time basis as a Project Assistant in the College of Engineering, Iowa Institute of Hydraulic Research (IIHR) Hydroscience and Engineering Department, at the University of Iowa.

The University reports that:

- ♦ Melissa Eckrich does not have any authority to issue purchase orders or to approve payments for her department;
- ♦ Melissa Eckrich has been issued a University procurement card; all transactions are reviewed by the IIHR Accountant and the Contracts Administrator prior to review and approval by the Associate Director of Financial Management and Control in the Administration Department;
- ♦ Melissa Eckrich will not participate in any discussions, decisions, business transactions, or correspondence involving Eckrich Tool and the University of Iowa; and
- ♦ The University will solicit competitive bids whenever IIHR and Eckrich Tool are involved.

**Los Cabos Mexican Restaurant** provides food and catering services. Diego Rivera is part owner of the business, which is located in Coralville, Iowa.

Mr. Rivera's wife, Claudia Gabriela Rivera, is employed on a full-time basis as a Counseling Coordinator in the Office of the President, Center for Diversity and Enrichment (CDE), at the University of Iowa.

The University reports that:

- ◆ Claudia Gabriela Rivera does not have any authority to issue purchase orders or approve payments for CDE;
- ◆ Claudia Gabriela Rivera has been issued a University procurement card; all transactions are reviewed and approved by the CDE's Administrative Assistant II;
- ◆ Claudia Gabriela Rivera will not participate in any discussions, decisions, business transactions, or correspondence involving Los Cabos Mexican Restaurant and the University of Iowa; and
- ◆ The University will solicit competitive bids whenever CDE and Los Cabos Mexican Restaurant are involved.

**Newton Designs** is a web design business. Amy Newton is the sole proprietor of the business, which is located in Iowa City, Iowa.

Amy Newton's husband, Dr. Stephen Newton, is employed on a full-time basis in the Graduate Medical Education Residency Program (GMERP) as a House Staff Fellow, Department of Otolaryngology-Head and Neck Surgery, at the University of Iowa Hospitals and Clinics.

The University reports that:

- ◆ Dr. Newton does not have any authority to issue purchase orders or approve payments for his department, nor has he been issued a University procurement card;
- ◆ Dr. Newton will not participate in any discussions, decisions, business transactions, or correspondence involving Newton Designs and the University of Iowa; and
- ◆ The University will solicit competitive bids whenever GMERP and Newton Designs are involved.

**Schiller Solutions, LLC** provides graphic design and visual identity consulting services. Andrew Schiller owns the company, which is located in Iowa City, Iowa.

Andrew Schiller is employed on a 25% basis as an Assistant in Instruction in the School of Library and Information Science.

Andrew Schiller's wife, Crystal Edler, is employed on a 50% basis as a Graduate Research Assistant in the College of Liberal Arts and Sciences, Department of Psychology, at the University of Iowa.

The University reports that:

- ◆ Neither Andrew Schiller nor Crystal Edler have any authority to issue purchase orders or approve payments for their departments, nor have they been issued University procurement cards;
- ◆ Andrew Schiller will not participate in any discussions, decisions, business transactions, or correspondence involving Schiller Solutions, LLC and the School of Library and Information Science;
- ◆ Crystal Edler will not participate in any discussions, decisions, business transactions, or correspondence involving Schiller Solutions and the Department of Psychology; and
- ◆ The University will solicit competitive bids whenever the School of Library and Information Science or the Department of Psychology and Schiller Solutions LLC are involved.

**Suzy Maktabi** is a self-employed artist in Iowa City, Iowa.

Suzy Maktabi's husband, Dr. Mazen Maktabi, is employed on a full-time basis as an Associate Professor in the College of Medicine, Department of Anesthesia, at the University of Iowa.

The University reports that:

- ◆ Dr. Maktabi 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;
- ◆ Dr. Maktabi will not participate in any discussions, decisions, business transactions, or correspondence involving Suzy Maktabi's artwork and the University of Iowa; and
- ◆ The University will solicit competitive bids whenever the Department of Anesthesia and Suzy Maktabi are involved.

#### **IOWA STATE UNIVERSITY**

**Biotronics, Inc.** develops products and services that support the capture, interpretation, and storage of real-time ultrasound images to evaluate the body composition of beef cattle, swine, and carcasses. Dr. Viren Amin is part owner and an hourly employee of the company, which is located in Ames, Iowa.

Dr. Amin is employed on a part-time basis as an Associate Scientist in the Institute for Physical Research and Technology (IPRT), Center for Nondestructive Evaluation (CNDE), at Iowa State University.

The University reports that:

- ◆ Dr. Amin has been issued a procurement card; the CNDE Business Manager reviews and approves Dr. Amin's procurement card purchases;
- ◆ CNDE and IPRT acknowledge awareness of Dr. Amin's business and will permit these efforts as long as business is conducted outside the workplace, on his own time, and with his own resources; and
- ◆ Dr. Amin will not participate in any evaluation or award decisions relative to Biotronics, Inc. providing goods or services to Iowa State University.

#### **UNIVERSITY OF NORTHERN IOWA**

**Cedar Valley Information Technology Services, LLC** provides computer services. Gene Lawin is the sole proprietor of the business, which is located in Waterloo, Iowa.

Gene Lawin's wife, Joan Lawin, is employed full-time as a Business Administrator at National Ag-Based Lubricants (NABL) in Waverly, Iowa. NABL is an outreach program in the College of Business Administration, Business and Community Services, at the University of Northern Iowa.

The University reports that:

- ◆ Joan Lawin does not have any authority to issue purchase orders or to approve payments for services provided by CVITS;
- ◆ Joan Lawin has been issued a University procurement card; professional services are not an allowed expense on the card; and
- ◆ NABL acknowledges awareness of CVITS's request to do business as a conflict of interest vendor and agrees that Joan Lawin will have no influence in awarding a contract or issuing payment relevant to services provided by CVITS.

**Environmental Lubricants Manufacturing, Inc. (ELM)** is a biobased products and services business. Lou Honary is a majority owner of the business, which is located in Cedar Falls, Iowa.

Lou Honary is employed full-time as the Director of National Ag-Based Lubricants (NABL) in Waverly, Iowa. NABL is an outreach program in the College of Business Administration (CBA), Business and Community Services (BCS), at the University of Northern Iowa.

The University reports that:

- ◆ Lou Honary does not have sole authority to issue purchase orders or approve payments relevant to transactions that may involve ELM; secondary approval is required for these purchases;
- ◆ Lou Honary has not been issued a University procurement card;
- ◆ BCS and CBA acknowledge awareness of ELM's 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 the employee's own time;
- ◆ BCS agrees that Lou Honary will have no influence in awarding a contract relevant to products or services provided by ELM; and
- ◆ BCS agrees that it will not purchase services from ELM without prior bidding, where appropriate, and review of outside experts, if necessary.

**Tallcorn Music, Inc. (TMI)** provides musical entertainment. Robert Washut and Thomas Barry are partial owners of the company, which is located in Cedar Falls, Iowa.

Robert Washut and Thomas Barry are both employed on a full-time basis in the College of Humanities and Fine Arts (CHFA), School of Music (SM), at the University of Northern Iowa; Robert Washut as a Professor and Thomas Barry as an Assistant Professor.

The University reports that:

- ◆ Robert Washut and Thomas Barry do not have any authority to issue purchase orders or to approve payments for their department, nor have they been issued University procurement cards;
- ◆ SM and CHFA acknowledge their awareness of TMI's 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 the employees own time;
- ◆ SM agrees that Robert Washut and Thomas Barry will have no influence in awarding a contract or issuing payment relevant to services provided by TMI; and
- ◆ SM agrees that it will not purchase services from TMI without prior bidding, where appropriate, and review of outside experts, if necessary.

**Hilltoppers** provides finish line results services. Steve MacTaggart is the sole proprietor of the business, which is located in Cedar Falls, Iowa.

Mr. MacTaggart's wife, Janet MacTaggart is employed full time as a Secretary in the Department of Residence at the University of Northern Iowa.

The University reports that:

- ◆ Mrs. MacTaggart does not have any authority to issue purchase orders or to approve payments for her department, nor has she been issued a University procurement card; and
- ◆ The Department of Residence acknowledges awareness of Hilltoppers request to do business as a conflict of interest vendor and agrees that Mrs. MacTaggart will have no influence in awarding a contract or issuing payment relevant to services provided by Hilltoppers.

**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 that vendor.