

Contact: Andrea Anania

QUARTERLY REVIEW OF CONFLICT OF INTEREST VENDORS

**Recommended Action:** Approve the following additions to the respective institution's list of approved vendors with a potential conflict of interest:

UNIVERSITY OF IOWA

- Greater Des Moines Baseball Company
- Mike Breazeale / Breazeale Photography
- Daniel Kenneth Bohike / Paragon Cabinet Company
- Cheryl Jacobsen / Cheryl Jacobsen Calligraphy and Design
- Richard Tyler / The Secret 1883 Octagonal Barn LLC

IOWA STATE UNIVERSITY

- James Bovinette / The Jazz Quartet of Ames

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

**GREATER DES MOINES BASEBALL COMPANY** is the managing company for the Iowa Cubs Baseball team. Michael G. Gartner, President of the Board of Regents owns more than 5% interest in the company located in Des Moines, Iowa. The University of Iowa requests that Greater Des Moines Baseball Company be approved as a vendor with a potential conflict of interest.

Both the University of Iowa and Iowa State University have purchased sponsorships of the Iowa Cubs for years. Michael Gartner began his term as a Regent May 1, 2005. He does not have any purchase order or payment authority at the Regent institutions.

**MIKE BREAZEALE** is the owner of Breazeale Photography, a photography business located in Iowa City, Iowa, and the spouse of Betty Breazeale, a full-time secretary in the Art Museum at the University of Iowa.

The University reports that previous payments were made to Breazeale Photography and include \$4,431 for FY 2005 and \$675 for FY 2004. Ms. Breazeale did not approve any of the payments, which were discovered through an internal audit.

The University reports that Ms. Breazeale has delegation of signature authority for purchase order and payment transactions for the Art Museum. No authority is granted to her for any transaction or procurement from Breazeale Photography, nor has she been issued a procurement card. Competitive bids will be secured for all Art Museum photography projects.

**DANIEL KENNETH BOHIKE** is the owner of Paragon Cabinet Company, a custom cabinet and woodworking business, located in Iowa City, Iowa, and the spouse of Roxanne Bohike, a full-time Clinical Lab Scientist in the Pathologist Department at the University of Iowa.

The University reports that Ms. Bohike does not have any purchase order or payment authority for her department, nor has she been issued a University procurement card.

**CHERYL JACOBSEN** is the owner of Cheryl Jacobsen Calligraphy and Design, a calligraphy and design business located in Iowa City, Iowa, and the spouse of David Ozolins, a full-time safety engineer in the Risk Management Department at the University of Iowa. Ms. Jacobsen is an adjunct assistant professor for the Center for the Book at the University of Iowa. She does not currently teach classes and is listed as a 0% time, non-salary appointment.

The University reports that previous payments were made to Cheryl Jacobsen Calligraphy and Design. The payments, which were not made by the Center for the Book or the Risk Management Department, include \$7,916 for FY 2005 and \$3,937 for FY 2004. Neither Ms. Jacobsen nor Mr. Ozolins approved any of the payments, which were discovered through the strengthened conflict of interest review process.

The University reports that Cheryl Jacobsen and David Ozolins do not have any purchase order or payment authority for their respective departments and have not been issued procurement cards.

**RICHARD TYLER** is the owner of The Secret 1883 Octagonal Barn, located in West Liberty, Iowa, and the manager of the limited liability company that rents the barn for receptions. Mr. Tyler is a full-time professor employed on an 85% basis in the Otolaryngology Department and on a 15% basis in the Speech Pathology and Audiology Department at the University of Iowa.

The University reports that Mr. Tyler does not have any purchase order or payment authority for his department, nor has he been issued a University procurement card.

**JAMES BOVENETTE** is the owner of The Jazz Quartet of Ames, a social entertainment group that provides modern and traditional jazz music, located in Ames, Iowa, and a full-time Associate Professor of Music in the Music Department at Iowa State University.

The University reports that Mr. Bovinette will not participate in any evaluation or award decisions relative to the group providing services to the University and that the Music Department will not enter into any transactions with the group.

### **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 \$1,000 or a fiscal year's cumulative purchases exceed \$2,000.

Once a vendor with a potential conflict of interest is approved by the Board, any Regent institution is authorized to purchase from the vendor.