

Contact: Andrea Anania

### CONFLICT OF INTEREST VENDORS

**Recommended Action:** Approve the following vendors with a potential conflict of interest:

UNIVERSITY OF IOWA

- Michael Abramoff
  - Transatlantic Diagnostics LLC
  - iOptics LLC

Iowa State University

- Best Equipment Sales
- Northwood Clay Studios

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

**MICHAEL ABRAMOFF** and his wife, Sandra “Dewi” Abramoff, are employees in the Ophthalmology and Visual Sciences Department (OVSD) at the University of Iowa. Mr. Abramoff is a full-time Assistant Professor and Mrs. Abramoff is a temporary Research Assistant II. They do not work together and Mrs. Abramoff is not assigned any work involving Mr. Abramoff’s research projects.

The University reports that neither Michael Abramoff nor Sandra “Dewi” Abramoff have purchase order or payment authority, and they have not been issued procurement cards. Other individuals in the Department, including the Department Head, will be involved in purchase decisions.

#### **Transatlantic Diagnostics LLC**

Michael Abramoff is the Director of **Transatlantic Diagnostics LLC**, an Iowa City company that offers a web-based software product used in the diagnosis of eye diseases. He created the software prior to his employment with the University.

The University of Iowa OVSD would like to purchase, at most, two software licenses from Transatlantic Diagnostics LLC at a cost of \$500 per license for a university research project assigned to Mr. Abramoff.

#### **iOptics LLC**

Michael Abramoff is a partner and director for iOptics LLC, a company in Iowa City that is developing a retina imaging scanner that it plans to manufacture and sell.

Dr. Abramoff holds a 9% interest in iOptics LLC. He does not receive any compensation in his work at the company.

The University of Iowa OVSD would like to use the services of iOptics LLC to assist in a research project assigned to Mr. Abramoff.

**BEST EQUIPMENT SALES** sells grounds maintenance equipment. Bruce E. Schuller is the sole owner of the company, which is located in Boone, Iowa.

Bruce E. Schuller’s wife, Wanda A. Schuller, is a full-time clerk in the Treasurer’s Office at Iowa State University. The University reports that Ms. Schuller will not participate in any evaluation or award decisions relative to Best Equipment Sales providing goods or services to ISU.

**NORTHWOOD CLAY STUDIOS** sells custom, handmade pottery and provides instruction in pottery making. Greg Lamont is the sole owner of the company, which is located in Ames, Iowa.

Greg Lamont's wife, Susan Lamont, is a full-time Professor in the Animal Science Department at Iowa State University. The University reports that Susan Lamont will not participate in any evaluation or award decisions relative to Northwood Clay Studios providing goods or services to ISU.

Mr. Lamont's pottery items typically bear the logo of an ISU department or other campus organization. ISU reports that the Trademark Officer reviewed the logos and determined that they do not incorporate a University Trademark.

**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.