

**MEMORANDUM**

**To:** Board of Regents  
**From:** Board Office  
**Subject:** Approval of Vendors with a Potential Conflict of Interest  
**Date:** June 9, 2003

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**Recommended Action:**

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

University of Iowa

- Geonetric LLC
- Lone Tree Biostatistics L.L.C.
- Scholars For Educational Excellence & Diversity, Inc.

Iowa State University

- Chris Martin Furniture
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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.

**Geonetric LLC**

**Nature of Business:** Geonetric LLC is an internet software development company located in Cedar Rapids, Iowa. Eric Engelmann and Ben Dillon have a 10% or greater interest in the company. Their spouses are employed at the University. Messrs. Engelmann and Dillon would like to provide services to the University of Iowa.

**Employee Relationship:** Eric Engelmann's wife, Amy Engelmann, is employed full time as a Program Assistant in the Department of Community and Behavioral Health at the University of Iowa. Ben Dillon's wife, Dena Dillon, is employed full time as a Clinical Pharmacy Specialist at the University of Iowa Hospitals and Clinics (UIHC).

**Purchasing Authority:** The University reports that:

- Ms. Engelmann has spending authority for departmental purchases under \$700. She does not have any decision making authority for purchasing decisions involving the proposed website work for the Department of Community and Behavioral Health; and
- Ms. Dillon does not have any spending authority at UIHC.

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**Lone Tree Biostatistics LLC  
(Carl Kice Brown)**

Nature of Business: Biostatistics is a consulting company that offers biostatistical consulting services, specifically in health care areas. Carl Kice Brown owns and operates the company, which is located in Lone Tree, Iowa. Mr. Brown would like to provide services to the University of Iowa.

Employee Relationship: Carl Kice Brown is employed part-time as a Research Assistant III for the Internal Medicine-Gastroenterology department at the University of Iowa. Mr. Brown's wife, Barbara Scott Brown, is employed at the University in the College of Public Health as a full-time MPH and Public Health Certificate Programs Coordinator.

Purchasing Authority: The University reports that:

- Mr. Brown's consulting work is not related to the nature of his position at the University;
- Mr. Brown is completely removed from the ordering or payment process for those areas that would use the services of his company; and
- Ms. Brown has no order or payment approval responsibilities.

**Scholars For Educational Excellence & Diversity, Inc.  
(Dr. Emily L. Moore and Dr. J. Herman Blake)**

Nature of Business: Scholars For Educational Excellence & Diversity, Inc. is a consulting company in areas such as education, leadership, development, diversity, and strategic planning. Dr. Emily Moore and Dr. J. Herman Blake each own 10% or more in the company, which is located in Ames, Iowa. Drs. Moore and Blake would like to provide consulting services to the University of Iowa.

Employee Relationship: Drs. Moore and Blake are employed by Iowa State University as professors in the Colleges of Education and Liberal Arts and Sciences, respectively.

Purchasing Authority: The University reports that Drs. Moore and Blake do not have any order or payment responsibility at the University of Iowa.

**Chris Martin Furniture  
(Christopher J. Martin)**

Nature of Business: Chris Martin Furniture is a company that sells wood and metal sculptural and furniture forms. Christopher J. Martin is the owner of the company, which is located in Ames, Iowa. Mr. Martin would like to provide goods and services to Iowa State University.

Employee Relationship: Chris Martin is employed as an Assistant Professor in the College of Design at Iowa State University.

Purchasing Authority: The University reports that:

- Mr. Martin will not participate in an evaluation or award decisions relative to Chris Martin Furniture providing goods or services to Iowa State University; and
- Purchases from Chris Martin Furniture would be for Art in State Buildings projects and not for part of Mr. Martin's curricula or class projects.

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**Background:**

Requirements

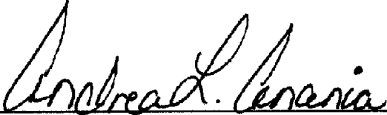
The Iowa Code [68B]:

- 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 presented to the Board in November.

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Andrea L. Anania

Approved:   
Gregory S. Nichols