

## **CONFLICT OF INTEREST POLICY**

### **I. Policy**

The Board of Directors of Westside Regional Center (the “Board”) places a very high priority on ensuring that Westside Regional Center (“WRC”) Board members, Executive Director, employees and others acting on WRC’s behalf, maintain the highest personal and professional ethical standards and act in the course of their duties solely in the best interest of WRC clients and their families, without regard to the interests of any other organization with which they are associated or persons to whom they are related. WRC shall comply with the Lanterman Act provisions regarding conflicts of interest (COI) in regional centers, which are set forth in Welfare & Institutions Code (WIC), Sections 4626, 4626.5, and 4627. In addition, COI regulations are found at Title 17 California Code of Regulations, Sections 54500 through 54535. Board members, the Executive Director, advisory committee board members, employees, contractors, agents, consultants, and others acting on the regional center’s behalf shall be free from conflicts of interest that could adversely influence their judgment, objectivity or loyalty to WRC, its clients, or its mission.

This policy defines specific areas that may give rise to a potential, or actual, conflicts of interest or personal advantages for WRC’s Board members, Executive Director, advisory committee board members, employees, contractors, agents, consultants, and others acting on the regional center’s behalf

WRC Board members, the Executive Director, advisory committee board members, employees, contractors, agents, consultants, and others acting on the regional center’s behalf are required to comply with the California Welfare and Institutions Code (“WIC”), Title 17 of the California Code of Regulations (“Title 17”) and WRC policies. The provisions of WIC and Title 17 which relate to conflicts of interest are attached hereto as Exhibit “A.” This policy is intended to supplement but not replace applicable laws and regulations governing COI.

#### A. Executive Directors

The provisions for handling COI Statements and Conflicts by an Executive Director are also similar to those for Board Members. The precise provisions are contained in WIC, Sections 4626(a), 4626(g), and Title 17, Sections 54532, 54533, and 54534.

#### B. Governing Board Member

The provisions for handling COI Statements and conflicts by Board Members are contained in WIC, Sections 4626(a), 4626(g), and Title 17, Sections 54532, 54533, and 54534.

### C. Advisory Committee Member

The regulations also identify possible conflicts for Advisory Committee Board Members. Title 17, Section 54521 states that there is a COI when a regional center advisory committee board member (appointed pursuant to WIC, Sections 4622(i)) is in any of the following positions for a business entity, entity, or provider from which the regional center purchases, obtains, or secures services for persons served: (a) a member of the governing board, (b) a board committee member; (c) an owner; (d) a partner; (e) a shareholder; (f) an agent; (g) a manager; (h) an employee; (i) a contractor; or (j) a consultant, and that person does any of the following: (i) serves as an officer of the RC board; (ii) votes on any fiscal matter affecting purchase of services from any RC provider; or (iii) votes on any matters where the member has a financial interest. An “advisory committee board member,” as a board member, is required to complete a COI Reporting Statement just like all other board members (Title 17, Sections 54532, 54533, and 54534).

### D. Employees

The provisions prohibiting conflicts of interest for employees are contained at Title 17, Sections 54526, 54527, 54528, 54529, and 52530. The basic concept is that regional center employees cannot place themselves in a position where their private, personal interests may conflict with their official duties (Title 17, Section 54529). Employees must be guided solely by the interests of the regional center and those we serve. They may not place themselves in a situation that creates a dilemma about advancing their personal interests instead of acting in the best interests of the regional center. The new regulations generally provide that the only employees who will have a conflict are employees with “decision or policy making authority” (Title 17, Section 54526). This is generally defined to include all employees except those with purely secretarial or clerical duties. Service Coordinators are deemed to be employees with “decision or policy making authority.”

### E. Contractors, Agents, and Consultants

The provisions for handling COI Statements and Conflicts for Contractors, Agents and Consultants are also similar to those for employees. Title 17, Sections 54526, 54527, 54528, 54529, and 54530 identify what will constitute a conflict. Finally, Title 17, Section 54533 addresses resolution of such conflicts.

## II. **Definitions**

### A. The following definitions are applicable to the within conflict of interest policy:

1. “Potential Conflict of Interest” means a situation which, based upon circumstances reasonably expected to occur at a point in the future, may result in a conflict of interest, as specified in Title 17, California Code of Regulations, §54520 and following.

2. “Present Conflict of Interest” means a situation in which a conflict of interest currently exists, as specified in Title 17 California Code of Regulations, § 54520 and following.

3. Business Entity, Entity or Provider” means any individual, business venture, or state or local governmental entity from whom or from which the regional center purchases, obtains, or secures goods or services to conduct its operations. These entities or providers include, but are not limited to, residential facilities, intermediate care facilities, skilled nursing facilities, supported and independent living services, hospitals, medical groups, activity centers, housing providers, entities formed in support of the regional center, infant programs, clinics, laboratories, pharmacies, drug stores, ambulance services, furniture stores, equipment and supply stores, physicians, psychologists, nurses, therapists, teachers, social workers, and contract case managers. For purposes of these conflict-of-interest regulations “business entity, entity or provider” does not include a consumer or family member of a consumer who receives vouchers for consumer services.”

4. “Decision or Policy-Making Authority” means the authority an individual possesses when the person:

- a. Exercises discretion or judgment, without significant intervening substantive review, in making, advising, or recommending a decision or in making a final decision; or
- b. May compel a decision or may prevent a decision either by reason of an exclusive power to initiate the decision or by reason of a veto which may or may not be overridden;
- c. Makes substantive recommendations which are, and over an extended period of time have been, regularly approved without significant amendment or modification by another person or entity or provider; or
- d. Votes on matters, obligates or commits his or her agency to any course of action, or enters into any contractual agreement on behalf of his or her agency.
- e. Votes to approve, appoint or ratify, or approves, or hires any director, trustee, member of the board, member of a board committee, officer, agent, employee, contractor, or consultant for his or her entity or any other business entity or provider.

This authority does not include actions of the individuals which are solely secretarial or clerical in nature. The law deems Service Coordinators to have “decision or policy-making authority.” This is because they generally participate on planning teams that make decisions, they make decisions about which programs and services to recommend to those we serve and finally, Service Coordinators are listed in WIC, Section 4626(e), as persons who must complete the COI Reporting Statements.

5. “Prospective Client” means any individual person who has presented himself or herself at the Regional Center and might require services for the developmentally disabled but who has not yet been determined by a regional center to meet the eligibility criteria for regional center services.

6. “Regional Center” means a diagnostic, counseling, and service coordination center for persons with developmental disabilities and their families which is established and operated pursuant to the California Welfare and Institutions Code by a private, nonprofit corporation acting as a contracting agency.

7. “Regional Center Employee” means any person who performs services for wages, salary or a fee under a contract of employment, express or implied, with a regional center.

8. “Regional Center Operations” means those activities or services which regional centers are required by law, regulation, or contract with the state to provide, obtain, or purchase. Such activities include, but are not limited to, case finding, outreach, prevention, intake and assessment, individual program planning, case management, community programs, program development, and consumer advocacy and protection.

9. “Supervisors” are those individuals who serve as reviewing officers for reports of performance.

10. “Family members” shall include spouse, domestic partner, parents, stepparents, grandparents, siblings, step-siblings, children, stepchildren, grandchildren, parents-in-law, brothers-in-law, sisters-in-law, sons-in-law, and daughters-in-law. Cousins, aunts, uncles, nieces and nephews are not considered family members.

11. “Financial interest” is defined in Title 17, Sections 54522 and 54527 as follows: Financial interest, as used in this section, includes any current or contingent ownership, equity, or security interest that could result, directly or indirectly, in receiving a pecuniary gain or sustaining a pecuniary loss as a result of the interest in any of the following: (1) business entity worth two thousand dollars (\$2,000) or more. (2) real or personal property worth two thousand dollars (\$2,000) or more in fair market value. (3) stocks or bonds worth two thousand dollars (\$2,000) or more. (4) intellectual property rights worth five hundred dollars (\$500) or more. (5) sources of gross income aggregating five hundred dollars (\$500) or more within the prior 12 months. (6) future interest for compensation of five hundred dollars (\$500) or more. (7) personal finances of two hundred fifty dollars (\$250) or more.

### **III. Rules and Guidelines Regarding Conflicts of Interest**

The following rules and guidelines arise from the provisions of Welfare and Institutions Code, §4626 and Title 17, California Code of Regulations, §54520 and following, which are attached hereto, and the rules and guidelines should be interpreted in accordance with those laws.

A. Conflicts of Interest- As detailed below, no WRC employee, Contractor, Agent, Consultant, or Executive Director shall continue employment with WRC, and no Director shall remain on the Board of Directors of WRC, if the employee, Contractor, Agent, Consultant, Executive Director or Board member has a conflict of interest in violation of these provisions, unless the individual eliminates the conflict of interest or obtains a waiver pursuant to these regulations. WRC employees, Contractors, Agents, Consultants, the Executive Director and Board members must, at a minimum, follow these rules and guidelines to avoid conflicts of interest:

1. Conflict by Holding Position with Provider. A conflict exists when: a Board Member, an Executive Director, or a family member of such person (Title 17, Section 54520), an employee with decision making authority, a Contractor, an Agent, a Consultant, or family member of such person (Title 17, Section 54526), is any of the following for a provider: (1) a governing board member, (2) a board committee member, (3) a director, (4) an officer, (5) an owner, (6) a partner, (7) a shareholder, (8) a trustee, (9) an employee, (10) an agent, (11) a contractor, (12) a consultant, (13) holds any position of management, or (14) has decision or policy making authority.

2. No Employee Shall Have a Financial Interest in a Business Entity/Provider: A conflict of interest exists when a WRC employee with decision or policy making authority, or contractor, agent or consultant (for example a nurse or a contract case manager) with authority to act on behalf of the regional center, or family member of such person, is a (1) governing board member, (2) board committee member, (3) director, (4) officer, (5) owner, (6) partner, (7) shareholder, (8) trustee, (9) employee, (10) agent, (11) contractor, or (12) consultant, of any business entity, entity or provider, as that term is defined above in section II.A.3. A conflict of interest also exists when a WRC employee or a family member of such individual holds any position of management, or has decision or policy making authority, in any business entity, entity, or provider.

a. No Financial Interest in WRC Decisions- No WRC employee shall make or participate in making a WRC decision in which he or she knows, or has reason to know, he or she, or his or her family member, has a financial interest.<sup>1</sup>

b. No Financial Interest in WRC Contracts- No WRC employee shall participate in the making of contracts in which he or she, or his or her family member, has a financial interest. For example, if the regional center is purchasing new copy machines, a regional center employee could not contract with his or her spouse for the purchase of those machines.

(1) For purposes of this subdivision b., “financial interest,” means any financial interest, direct or indirect, regardless of the dollar amount, and includes aiming to achieve a financial gain or avoid a financial loss. The financial interest includes any monetary or proprietary benefit, gain of any sort, or the contingent possibility of monetary or proprietary benefits, and extends to expectations of economic benefit. Certainty of financial gain is not necessary to create a conflict of interest.

(2) WRC employees may make a contract which is financially beneficial to a family member if the benefits associated with the contract are available to regional center consumers or their families generally.

3. No Board Member or Executive Director Shall Have a Financial Interest in a Business Entity/Provider: Under Title 17, Sections 54523 and 54528, Board Members, Executive Directors, and employees, contractors, agents, and consultants, shall not be guided by personal interests and shall not have a financial interest in any contract or decision they make in their official capacity.

a. No Financial Interest in WRC Decisions- No WRC Board member, Executive Directors, and employees, contractors, agents, and consultants shall make or participate in making a WRC decision in which he or she knows, or has reason to know, he or she, or his or her family member, has a financial interest

b. No Financial Interest in WRC Contracts- WRC Board members, Executive Directors, and employees, contractors, agents, and consultants, or their family member, shall not be financially interested in any contract in which a Board member Executive Directors, and employees, contractors, agents, and consultants participate in making. For purposes of this subdivision b., “financially interested” means having any financial interest, direct or indirect, regardless of the dollar amount, and includes aiming to achieve a financial gain or avoid a financial loss. The financial interest includes any monetary or proprietary benefit, gain of any sort, or the contingent possibility of monetary or proprietary benefits, and extends to expectations of economic benefit. Certainty of financial gain is not necessary to create a conflict of interest.

(1) If a WRC Board member Executive Directors, and employees, contractors, agents, and consultants , or their family member, has a financial interest in a potential contract that creates a present or potential conflict of interest, the Board member Executive Directors, and employees, contractors, agents, and consultants shall:

- (a) Fully disclose the existence and nature of the conflicting financial interest to the WRC Board;
- (b) Have it noted in the official board records;
- (c) Recuse himself or herself from making, participating in making, or in any way attempting to use his or her position to influence a decision on the matter;
- (d) Leave the room during any discussion or deliberations of the matter and shall not return until disposition of the matter is concluded; and
- (e) Shall not cast his or her vote upon any matter or contract concerning the financial interest or be counted for purposes of a quorum.

Subparagraph 2.b.(1) does not apply if the Board member is an individual served by WRC and the financial benefit is available to any regional center consumer. A WRC Board member and Executive Director may make a contract which is financially beneficial to a family

member if the benefits associated with the contract are available to regional center consumers or their families generally.

4. No Supervision of Family Member- An employee may not be the Supervisor of another employee who is a family member.

5. No Hiring or Promotion of Family Member- No WRC employee, Executive Director or Board member shall screen, evaluate the application of, or interview, an employee applicant, or an applicant for the Board of Directors, who is a family member. No WRC employee or Executive Director shall consider for, or award, a promotion to a WRC employee who is a family member.

6. Improper Outside Employment- A WRC employee, Executive Director, contractor, agent, consultant, or Board member shall not engage in outside employment or participate in a business venture with a WRC-vendored entity or otherwise, which is inconsistent, incompatible, or presents a conflict with, or is inimical to, the employee's duties, functions, or responsibilities at WRC unless the individual eliminates the inconsistency, incompatibility, conflict of interest, or inimical nature of the employment or business venture, or obtains a waiver pursuant to these regulations.

7. Improper Use of Center Property- A WRC employee, Executive Director, contractor, agent, consultant or Board member who is employed by or participates in a business venture outside of WRC shall not allow such employment or business venture to interfere with his or her duties at WRC, and shall not use WRC property or services for the outside employment or business venture without the express approval of the Executive Director and the Board and without appropriate payment for property use.

8. Honoraria: No WRC employee or Executive Director shall receive a salary, an honorarium or any compensation from any public or private agency or at any educational institution, for providing services, including but not limited to, sessions, workshops, or lecture tours, if WRC already compensates the employee or Executive Director for the same services. This does not apply to WRC employees or Executive Director who are providing services while on vacation or while using compensatory time off.

9. Gifts: No WRC employee, Executive Director, contractor, agent, consultant, or Board member shall accept any gift of value from any person or agency contracting with or vendored by WRC. Inexpensive entertainment or advertising gifts of less than \$25 in value, such as pens, pencils, or calendars bearing the name of the firm or agency, or such other similar articles of small value distributed on a volume basis are not considered "gifts of value." Similarly, buying an occasional or infrequent meal of less than \$25 for a WRC employee, Executive Director or Board member is also not prohibited, but frequent payment for such meals should be avoided.

10. No Partisan Political Affiliations: No WRC employee, Executive Director, contractor, agent, consultant, or Board member shall campaign, endorse, or otherwise engage in partisan political activities in their roles as WRC representatives.

11. No Employment by Department of Developmental Services: No regional center employee, Executive Director, contractor, agent, consultant, or Board member shall be an employee of the Department of Developmental Services (“DDS”) or an employee of any state or local agency that provides services to regional center clients, if employed in a capacity which includes administrative or policymaking responsibility, or responsibility for the regulation of the regional center.

12. No State Council Membership: No member of the Board of Directors shall be a member of the State Council or a State Council Regional Advisory Committee.

13. No Conflict of Interest with Entity that Receives Regional Center Funding- No WRC employee, Executive Director contractors, agents, consultants, or Board member shall have a conflict of interest with an entity that receives regional center funding, including, but not limited to, a nonprofit housing organization (e.g., HOME) and an organization qualified under Section 501(c)(3) of the Internal Revenue Code, that actively functions in a supporting relationship to the regional center (e.g., Achievable).

14. General Prohibition of Conflicts of Interest for Regional Center Employees, Contractors, Agents and Consultants. In addition to the specific conflict-of-interest requirements and restrictions set forth above, regional center employees, contractors, agents and consultants are obligated to discharge their responsibilities with integrity and fidelity and are prohibited from placing themselves in a position where their private, personal interests may conflict with their official duties. A regional center employee, contractor, agent or consultant is impliedly bound to exercise the powers conferred on him or her with disinterested skill, zeal and diligence and for the benefit of the regional center and its consumers. If a situation arises that has not been specifically addressed in these regulations, where a present or potential personal conflict of interest exists as to a particular transaction or decision, the employee, contractor, agent or consultant is disqualified from taking any part in the discussion or from making any recommendation or decision regarding the particular matter. In interpreting and applying this section, the common law doctrine against conflict of interest and the authorities interpreting that doctrine shall govern.

15. Board Member Designated by Service Provider Advisory Committee: The requirement that no Board member shall be an employee or member of the governing board of any entity from which the regional center purchases consumer services, shall not apply to the Board member who is designated to serve on the Board by the members of the Service Provider Advisory Committee. To prevent a conflict of interest, the Board member designated by the Service Provider Advisory Committee is prohibited from (1) serving as an officer on the board; (2) voting on any fiscal matter affecting the purchase of services from any regional center provider; and (3) voting on any other issue in which the member has a “financial interest” as



determined by the regional center board. That member must provide a list of their financial interests, as defined in Government Code § 87103 (*see* Endnote ii), to the regional center Board and must provide ongoing information about any changes.

#### **IV. Conflict of Interest Procedures**

A. Conflict of Interest Disclosure: Each current and new WRC employee, Executive Director and Board member shall read this policy and be given the opportunity to seek clarification if he or she has a question. A signed statement that he or she understands the contents of this policy shall be kept on file.

1. Initial Conflict of Interest Statement: Each new WRC employee, Executive Director and Board member shall prepare and file an initial Conflict of Interest Statement on a standard form published by DDS within 30 days of assuming his or her position. All Conflict of Interest Statements will be reviewed by the Executive Director.

2. Annual Conflict of Interest Statement: Every current WRC employee, Executive Director and Board member shall complete and file a Conflict of Interest Statement annually, by August 1 of each year. All Conflict of Interest Statements must be reviewed by the Executive Director and the Conflict of Interest Policy must be updated on an annual basis.

3. Change in Status: Subsequent Conflict of Interest Statements shall be filed within thirty (30) days of any change in status that would create a present or potential conflict of interest. A change in status includes, but is not limited to, a change in financial interests, legal commitment, regional center or board position or duties, or outside position or duties, whether compensated or not. For example, getting married is a change in status, as is taking on a side job with an outside entity.

4. Review of Employee Conflict of Interest Statements: The Executive Director shall review the Conflict of Interest Statement of each WRC employee within ten (10) calendar days of receipt of the statement and determine whether the statement identifies a present or potential conflict. The Conflict of Interest Statements shall be maintained in the Executive Director's office.

5. Review of Executive Director and Board Member Conflict of Interest Statements: The WRC Board shall submit copies of the completed Conflict of Interest Statements of the members of the Board and the Executive Director to DDS within ten (10) calendar days of receipt of the completed statements. DDS and the WRC Board shall review the Conflict of Interest Statement of the WRC Executive Director to determine whether a conflict of interest exists.

6. Declaration Under Penalty of Perjury: Conflict of Interest Statements shall be dated, signed, and contain a declaration, under penalty of perjury, that the WRC employee, Executive Director or Board member has:

- a. No present or potential conflict of interest;
- b. A present conflict of interest;
- c. A potential conflict of interest; or

7. Both a present and potential conflict of interest. Existing Conflict: If a present or potential conflict of interest exists for a WRC employee, Executive Director or Board member, the conflict shall be either eliminated or mitigated and managed through a Conflict Resolution Plan and approved by DDS, and by the State Council for Board Members and the Executive Director, or the individual shall resign his or her position with WRC or the WRC Board.

B. Waiver Requests for a WRC Employee-

1. If a present or potential conflict of interest is identified by the WRC Executive Director, or independently by DDS, for a WRC employee, and the employee wishes to submit a waiver request, the WRC Executive Director shall submit a waiver packet to DDS within 30 calendar days of receipt of the completed Conflict of Interest Statement, or notification by DDS (whichever is relevant). The packet shall include the following documents:

- a. A copy of the employee's completed Conflict of Interest Statement;  
and
- b. A proposed Conflict Resolution Plan, written in accordance with Title 17, Section 54533, for eliminating or mitigating and managing the present or potential conflict.

2. DDS shall issue its modification, approval, or denial of the proposed Conflict Resolution Plan, in writing, to the WRC Board or WRC's designated party within 30 calendar days of receipt of the proposed Conflict Resolution Plan, unless it determines there is good cause for extending the time to respond.

3. During the 30-day period, or longer if DDS extends the time to respond for good cause, the WRC employee shall not engage in any activity that involves the conflict of interest. The Conflict Resolution Plan must be approved by DDS and fully implemented prior to the individual engaging in otherwise prohibited conduct.

4. If the proposed Conflict Resolution Plan of an employee is denied by DDS, the employee shall have 30 calendar days from the date of receipt of DDS's written denial in which to take the necessary action to eliminate the conflict of interest or resign his or her position as an employee.

In the event that a conflict is identified and the WRC employee elects not to submit a waiver request, the employee shall have thirty (30) calendar days from the date of filing the Conflict of Interest Statement, to take whatever action is necessary to eliminate the conflict of interest or resign his or her position.

C. Waiver Request for the Executive Director or a Board Member:

1. If a present or potential conflict of interest is identified by the WRC Board, or independently by DDS, for a WRC Executive Director or a Board member, and the Executive Director or Board member wishes to submit a waiver request, the WRC Board shall submit a waiver packet to DDS and the State Council within 30 calendar days of receipt of the completed Conflict of Interest Statement, or notification by DDS (whichever is relevant). The packet shall include the following documents:

a. A copy of the Executive Director's or Board member's completed Conflict of Interest Statement; and

b. A proposed Conflict Resolution Plan, written in accordance with Title 17, Section 54533, for eliminating or mitigating and managing the present or potential conflict.

2. The State Council shall provide to DDS their written approval or disapproval of the proposed Conflict Resolution Plan not later than 90 calendar days after the State Council receives copies of the completed Conflict of Interest Statement and the proposed Conflict Resolution Plan for a WRC Executive Director or Board member. If the State Council fails to provide DDS with its written approval or disapproval of the proposed Plan within 90 calendar days, DDS shall make the decision whether to disapprove the proposed Plan. DDS shall not approve a proposed Conflict Resolution Plan without the approval of the State Council.

3. DDS shall issue its modification, approval, or denial of the proposed Conflict Resolution Plan, in writing, to the regional center governing board or the regional center's designated party within 30 calendar days of receiving the written approval or disapproval of the proposed Conflict Resolution Plan from the State Council for the WRC Executive Director or Board member unless the DDS determines there is good cause for extending the time to respond.

4. During the period after the WRC Executive Director or Board member submits the proposed Conflict Resolution Plan, the WRC Executive Director or Board member shall not engage in any activity that constitutes a present or potential conflict of interest. The proposed Conflict Resolution Plan must be approved, in writing, by DDS, and the Conflict Resolution Plan fully implemented prior to the individual engaging in otherwise prohibited conduct.

5. If the request for waiver is denied by DDS, the WRC Executive Director or Board member shall have 30 calendar days from the date of receipt of the denial in which to either take whatever action is necessary to eliminate the conflict of interest or resign his or her

position as a Regional Center employee or Board Member. During this 30- day period, the employee or Board Member shall avoid all involvement with and participation in the conflict of interest in question.

In the event that a conflict is identified and the WRC Board member or Executive Director elects not to submit a waiver request, he or she shall have thirty (30) calendar days from the date of filing the Conflict of Interest Statement, to take whatever action is necessary to eliminate the conflict of interest or resign his or her position.

#### D. Sanctions

1. If a WRC employee, Executive Director or Board member has any questions about whether he or she may have a conflict of interest or potential conflict of interest under WIC or Title 17, he or she should bring them to the attention of the WRC Board immediately. The failure to do so could result in sanctions against WRC by DDS, an employee or Executive Director's termination from employment, or a Board member's removal from the Board.

a. Civil Penalties: A person who knowingly provides false information on a Conflict of Interest Statement required by this section shall be subject to a civil penalty in an amount up to fifty thousand dollars (\$50,000), in addition to any civil remedies available to DDS. An action for a civil penalty under this provision may be brought by DDS or any public prosecutor in the name of the people of the State of California.

b. DDS Sanctions: If DDS finds a WRC employee, Executive Director or Board Member in violation of this Policy, DDS shall:

(1) Immediately inform the party or parties in writing of such violation, including the supporting facts or information upon which the determination of violation was made; and

(2) Require that the party or parties take appropriate action, within thirty (30) calendar days of the notice of violation, to resolve the conflict of interest or otherwise eliminate the violation. DDS may extend this thirty-day period only once and for a period not to exceed thirty (30) calendar days.

(3) If the violation is not resolved or eliminated within the thirty (30) calendar days provided, and no extension of time has been granted by DDS, DDS may take immediate action to:

(a) Withhold part of the funding for WRC; or  
(b) Commence procedures for termination or non-renewal of WRC's contract pursuant to the Welfare and Institution Code.

The State Council shall be notified of the action.

V. **Policy Review**: The WRC Board shall review and approve this Conflict of Interest policy on an annual basis.

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I have reviewed the WRC Conflict of Interest Policy, and have completed a Conflict of Interest Statement. This will confirm whether or not I am in compliance with the conflict of interest provisions of WIC and Title 17, which are summarized above and attached hereto, and the WRC Conflict of Interest Policy.

Employee or Board Member's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_

\_\_\_\_\_ In Compliance, or  
\_\_\_\_\_ Not in Compliance

(Additional pages may be added. Please sign and date each page).

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- (1) business entity worth two thousand dollars (\$2,000) or more.
- (2) real or personal property worth two thousand dollars (\$2,000) or more in fair market value.
- (3) stocks or bonds worth two thousand dollars (\$2,000) or more.
- (4) intellectual property rights worth five hundred dollars (\$500) or more.
- (5) sources of gross income aggregating five hundred dollars (\$500) or more within prior 12 months,
- (6) future interests for compensation of five hundred dollars (\$500) or more.
- (7) personal finances of two hundred fifty dollars (\$250) or more.

<sup>ii</sup> A public official has a “financial interest” in a decision within the meaning of Section 87103 if it is reasonably foreseeable that the decision will have a material financial effect, distinguishable from its effect on the public generally, on the official, a member of his or her immediate family, or on any of the following:

- (a) Any business entity in which the public official has a direct or indirect investment worth two thousand dollars (\$2,000) or more.
- (b) Any real property in which the public official has a direct or indirect interest worth two thousand dollars (\$2,000) or more.
- (c) Any source of income, except gifts or loans by a commercial lending institution made in the regular course of business on terms available to the public without regard to official status, aggregating five hundred dollars (\$500) or more in value provided or promised to, received by, the public official within 12 months prior to the time when the decision is made.
- (d) Any business entity in which the public official is a director, officer, partner, trustee, employee, or holds any position of management.
- (e) Any donor of, or any intermediary or agent for a donor of, a gift or gifts aggregating two hundred fifty dollars (\$250) or more in value provided to, received by, or promised to the public official within 12 months prior to the time when the decision is made. The amount of the value of gifts specified by this subdivision shall be adjusted biennially by the commission to equal the same amount determined by the commission pursuant to subdivision (f) of Section 89503.

For purposes of this section, indirect investment or interest means any investment or interest owned by the spouse or dependent child of a public official, by an agent on behalf of a public official, or by a business entity or trust in which the official, the official’s agents, spouse, and dependent children own directly, indirectly, or beneficially a 10-percent interest or greater.