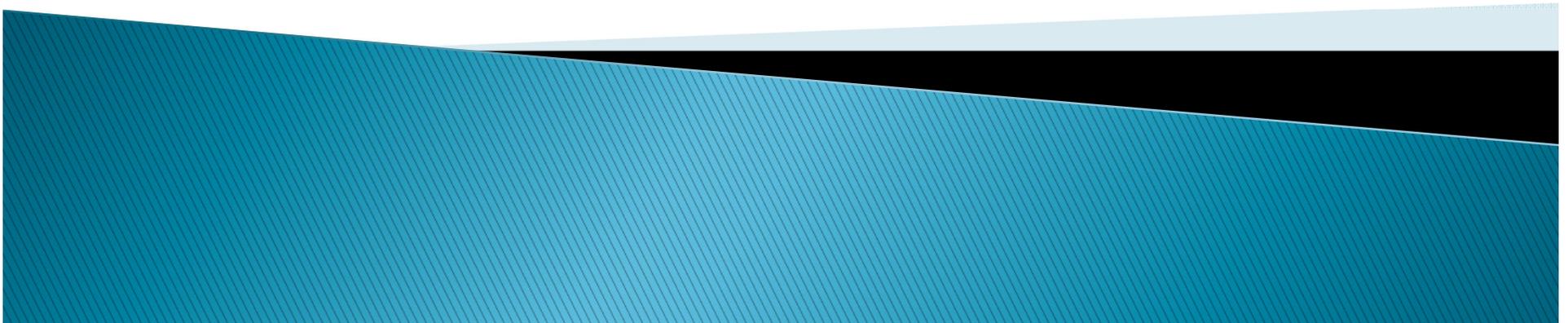




# Arizona Developmental Disabilities Planning Council

Conflict of Interest:  
What the Law Requires



# What is a Conflict of Interest?

A competing personal interest making it difficult to fulfill Council member duties fairly and may include:

- ▶ Financial interest
- ▶ Personal obligation
- ▶ Professional interest of obligation



# Statutory Authority

Arizona Revised Statute 38-503

## Application:

- ▶ State of Arizona, including all departments, commissions, agencies, bodies and boards;
- ▶ Any incorporated cities or towns.
- ▶ Identified political subdivisions, including school districts.



# Statutory Authority

Arizona Revised Statute 38-503

- ▶ Any public officer (Council member) “who has a substantial interest in any decision of a public agency shall make known such interest...and shall refrain from participating in any manner as an officer in such decision”.



# Determining a Conflict of Interest

The Council member is responsible for evaluating any conflict of interest, and if one exists, bringing it to the attention of the appropriate Standing Committee and/or Full Council.



# Actual or Perceived Conflicts

- ▶ Actual Conflicts of Interests may be readily obvious to the individual or other Council members.
- ▶ Perceived conflicts of interest as viewed by the general public should be evaluated prior to the Council member becoming involved in decision making.



# Preparation to Recognize Conflict of Interest

- ▶ Review all materials prior to scheduled Standing or full Council meetings to identify potential areas where conflict of interest may exist.
- ▶ If an actual or perceived conflict of interest exists, the Council member must declare the conflict prior to discussion of an item.
- ▶ When a conflict exists, the Council member shall refrain from discussing, deliberating or voting on the item.



# Recording Conflict of Interest

The details of a conflict of interest shall be recorded and kept as part of the minutes for each and every occurrence.



# Penalties for Non-Compliance

- ▶ Individual Council members may be subject to forfeiture of office and/or criminal penalties.
- ▶ Potential Class 1 Misdemeanor (depending on violation)
- ▶ Potential Class 6 Felony (depending on violation)
- ▶ Any awards or items voted upon by member when conflict existed can be voided.



# Conflict of Interest

## Example 1

A Council member belongs to an organization that is seeking grant funding from the Council. The member is assigned to a Standing Committee which will be reviewing the organization's proposal.

Can the Council member participate in deliberations and vote on approving the grant award?



# Conflict of Interest

## Example 2

- ▶ A Council member preparing to hear a proposal from an organization seeking Council funds advises that two years ago she served on a task force with one of the executive managers who works for the organization. Does the Council member have a conflict of interest?



# Conflict of Interest

## Example 3

A Council member who is an investor reveals that he owns stock in a proprietary organization that responded to a Request for Grant Application posted by the Council. The member sits on the Executive Committee which will ultimately review and take action on awarding a grant to the organization.

Does the Council member have a conflict of interest?

