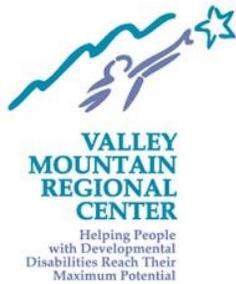


**VALLEY MOUNTAIN REGIONAL CENTER  
ADMINISTRATIVE PROCEDURES MANUAL**



**CONFLICT OF INTEREST  
STANDARDS FOR VMRC EMPLOYEES**

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**Purpose/Intent**

Valley Mountain Regional Center considers the best interests of persons with developmental disabilities our first concern. We pledge to protect against the influence of other competing or perceived competing interests.

Employees must act in the course of their duties solely in the best interest of the regional center consumers and their families without regard to the interests of any other organization with which they are associated or persons to whom they are related. Employees, and others acting on the regional center's behalf, as defined in regulations issued by the department, shall be free from conflicts of interest that could adversely influence their judgment, objectivity, or loyalty to the regional center, its consumers, or its mission.

**Definition**

A "conflict of interest" generally exists if you have one or more personal, business, or financial interests, or relationships that would cause a reasonable person with knowledge of the relevant facts to question your impartiality with respect to your regional center duties.

A conflict of interest exists when an employee with decision or policy making authority to act on behalf of VMRC, or family member of such person, is any of the following for a business entity or provider as defined in these regulations:

- (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
- (14) has decision or policy making authority

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An employee who provides services to regional center consumers, who works in a position having no relation to providing those services to regional center consumers, does not have a conflict of interest as a result of his or her position. This exception does not apply to an employee of the Department of Developmental Services.

An employee shall not make, participate in making or in any way attempt to use his or her position to influence a regional center decision in which he or she knows or has reason to know that he or she, or his or her family member has a financial interest.

Financial interest 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 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.

### **Guidelines and Procedures**

The Department Developmental Services shall ensure that no regional center employee has a conflict of interest and has developed and published a standard conflict-of-interest reporting statement (DS 6016 (Rev. 08/2013)). The conflict-of-interest statement shall be completed by each employee.

Every new employee, and every current employee accepting a new position within the regional center, shall complete and file the conflict-of-interest statement with his or her respective regional center within 30 days of assuming the position.

Every employee shall complete and file the conflict-of-interest statement by August 1 of each year.

Every employee shall complete and file a subsequent conflict-of-interest statement upon any change in status that creates a potential or present conflict of interest, which includes a change in financial interests, legal commitment, regional center or board position or duties, or both, or outside position or duties, or both, whether compensated or not.

The director of the regional center shall review the conflict-of-interest statement of each employee within 10 days of receipt of the statement. If a potential or present conflict of interest is identified for a regional center employee that cannot be eliminated, the regional center shall, within 30 days of receipt of the statement, submit to the department a copy of the conflict-of-interest statement and a plan that proposes mitigation measures, including timeframes and actions the regional center or the employee, or both, will take to mitigate the conflict of interest.

### **Penalty for Violation**

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 the department. An action for a civil penalty under this provision may be brought by the department or any public prosecutor in the name of the people of the State of

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California.

### California Code

#### Welfare and Institutions Code 4622 through 4626

(k) No member of the board who is an employee or member of the governing board of a provider from which the regional center purchases client services shall do any of the following:

(1) Serve as an officer of the board.

(2) Vote on any fiscal matter affecting the purchase of services from any regional center provider.

(3) Vote on any issue other than as described in paragraph (2), in which the member has a financial interest, as defined in Section 87103 of the Government Code, and determined by the regional center board. The member shall provide a list of his or her financial interests, as defined in Section 87103, to the regional center board. (Amended by Stats. 2013, Ch. 682, Sec. 1. (SB 367) Effective January 1, 2014.)

4622.5. By August 15 of each year, the governing board of each regional center shall submit to the department detailed documentation, as determined by the department, demonstrating that the composition of the board is in compliance with Section 4622.

(Added by Stats. 2011, Ch. 9, Sec. 2. (SB 74) Effective March 24, 2011.)

4626. (a) The department shall give a very high priority to ensuring that regional center board members and employees act in the course of their duties solely in the best interest of the regional center consumers and their families without regard to the interests of any other organization with which they are associated or persons to whom they are related. Board members, employees, and others acting on the regional center's behalf, as defined in regulations issued by the department, shall be free from conflicts of interest that could adversely influence their judgment, objectivity, or loyalty to the regional center, its consumers, or its mission.

(b) In order to prevent potential conflicts of interest, a member of the governing board or member of the program policy committee of a regional center shall not be any of the following:

(1) An employee of the State Department of Developmental Services or any state or local agency that provides services to a regional center consumer, if employed in a capacity which includes administrative or policymaking responsibility, or responsibility for the regulation of the regional center.

(2) An employee or a member of the state council or a state council regional advisory committee.

(3) Except as otherwise provided in subdivision (h) of Section 4622, an employee or member of the governing board of any entity from which the regional center purchases consumer services.

(4) Any person who has a financial interest, as defined in Section 87103 of the Government Code, in regional center operations, except as a consumer of regional center services.

(c) A person with a developmental disability who receives employment services through a regional center provider shall not be precluded from serving on the governing board of a regional center based solely upon receipt of these employment services.

(d) The department shall ensure that no regional center employee or board member has a conflict of interest with an entity that receives regional center funding, including, but not limited to, a nonprofit housing organization and an organization qualified under Section 501(c)(3) of the Internal Revenue

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Code, that actively functions in a supporting relationship to the regional center.

(e) The department shall develop and publish a standard conflict-of-interest reporting statement. The conflict-of-interest statement shall be completed by each regional center governing board member and each regional center employee specified in regulations, including, at a minimum, the executive director, every administrator, every program director, every service coordinator, and every employee who has decisionmaking or policymaking authority or authority to obligate the regional center's resources.

(f) Every new regional center governing board member and regional center executive director shall complete and file the conflict-of-interest statement described in subdivision (e) with his or her respective governing board within 30 days of being selected, appointed, or elected. Every new regional center employee referenced in subdivision (e) and every current regional center employee referenced in subdivision (e) accepting a new position within the regional center shall complete and file the conflict-of-interest statement with his or her respective regional center within 30 days of assuming the position.

(g) Every regional center board member and regional center employee referenced in subdivision (e) shall complete and file the conflict-of-interest statement by August 1 of each year.

(h) Every regional center board member and regional center employee referenced in subdivision (e) shall complete and file a subsequent conflict-of-interest statement upon any change in status that creates a potential or present conflict of interest. For the purposes of this subdivision, 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 both, or outside position or duties, or both, whether compensated or not.

(i) The governing board shall submit a copy of the completed conflict-of-interest statements of the governing board members and the regional center executive director to the department within 10 days of receipt of the statements.

(j) 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 the department. An action for a civil penalty under this provision may be brought by the department or any public prosecutor in the name of the people of the State of California.

(k) The director of the regional center shall review the conflict-of-interest statement of each regional center employee referenced in subdivision (e) within 10 days of receipt of the statement. If a potential or present conflict of interest is identified for a regional center employee that cannot be eliminated, the regional center shall, within 30 days of receipt of the statement, submit to the department a copy of the conflict-of-interest statement and a plan that proposes mitigation measures, including timeframes and actions the regional center or the employee, or both, will take to mitigate the conflict of interest.

(l) The department and the regional center governing board shall review the conflict-of-interest statement of the regional center executive director and each regional center board member to ensure that no conflicts of interest exist. If a present or potential conflict of interest is identified for a regional center director or a board member that cannot be eliminated, the regional center governing board shall, within 30 days of receipt of the statement, submit to the department and the state council a copy of the conflict-of-interest statement and a plan that proposes mitigation measures, including timeframes and

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actions the regional center governing board or the individual, or both, will take to mitigate the conflict of interest. (Amended by Stats. 2014, Ch. 409, Sec. 39. (AB 1595) Effective January 1, 2015.)