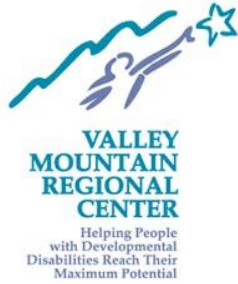


VALLEY MOUNTAIN REGIONAL CENTER ADMINISTRATIVE PROCEDURES MANUAL



CONFLICT OF INTEREST STANDARDS FOR VMRC EMPLOYEES

Purpose/Intent

Valley Mountain Regional Center (VMRC) 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. This Conflict-of-Interest administrative policy procedure is based upon the Welfare and Institutions Code 4622 through 4626 and the California Code of Regulations, Title 17, Section 54500 through 54535.

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

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

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a result of his or her position. 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 VMRC employee¹ 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 and returned to the Human Resources Department.

Every new employee, and every current employee accepting a new position within VMRC, shall be provided a conflict-of-interest form DS 6016 from the VMRC Human Resources Department, and shall complete and file this statement form with VMRC within 30 days of assuming the position. The Conflict-Resolution Plan (CRP) will be attached to the Form 6016 to be completed in case there is a present or perceived conflict. The DS 6016 and the CRP will be returned to the Human Resources Department.

Every employee shall complete and file the conflict-of-interest statement (Form DS 6016) by August 1 of each year, thereafter. (Start in June)

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, VMRC or VMRC Board position or duties, or both, or outside position or duties, or both, whether compensated or not.

The executive director of VMRC shall review the conflict-of-interest statement of each employee within 10 days of receipt of the statement. The Executive Director will sign the DS 6016 and indicate whether or not the statement identifies a present or potential conflict-of-interest. (If the employee has a conflict or perceive conflict and has not included

The Form 6016 will be returned to Human Resources if no perceived or actual conflict is identified and will be signed and dated by the Executive Director.

If the employee identifies a perceived or actual conflict on their Form 6016 they should complete the Form 6016, date it and sign it and complete the Conflict Resolution Plan which should be attached. The completed plan shall be signed by the employee and their supervisor and sent to the Human Resources

¹ All references to employees in this policy include Contractors, Agents, and Consultants.

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Department.

Upon receipt of a Form 6016, and the Conflict Resolution Plan from the Human Resources Department, the Compliance Manager will record the receipt of the form, inform the Executive Director to ensure the form 6016 is posted on the VMRC transparency page of the website, obtain the Executive Director's review and signature, and make a determination of whether or not the plan has met the requirements by law.

If the Compliance Manager approves the plan they will sign it and forward the Form 6016 and the Conflict Resolution Plan to: OCO@dds.ca.gov. If the plan does not meet the legal standard the Compliance Manager will return the plan to the supervision with directions on what is missing from the plan.

The Department of Developmental Services will make a final determination of the Conflict-of-Interest Conflict Resolution Plan and will inform the VMRC Compliance Manager of their decision.

The Compliance Manager will inform the Executive Director of the DDS decision and if approved the Executive Director will ensure the Form 6016 and Conflict Resolution Plan will be removed from the website. The Compliance Manager will send the Form 6016, Conflict Resolution Plan, and the DDS decision to VMRC Human Resources, the supervisor and the employee.

If DDS does not approve we will follow the guidance from the department until a final resolution can be made.

Potential or Present Conflict of Interest

When a potential or present conflict of interest is identified for a VMRC employee, it must be either eliminated or mitigated and managed through a conflict resolution plan, or the individual shall resign his or her position. The Conflict-of-Interest Plan Form will be attached to the Form 6016 provided by VMRC Human Resources Department at the time. In such cases, a copy of the conflict of interest reporting statement and conflict resolution plan must be submitted to the Department within 30 days of receipt of the completed conflict of interest statement [W&I Code section 4626(k) and CCR, Title 17 section 54533(a)-(b)].

Conflict of Resolution Plans

The Conflict of Resolution Plans must include:

1. The name, job title and duties of the VMRC employee, contractor, agent, or consultant.
2. A detailed description of the nature of the conflict of interest including:
 - a. The type of interest creating the conflict.
 - b. The identity and relationship between the individual and/or entity(ies) involved.
 - c. The role and duties of each individual and/or entity for which the conflict of interest exists.
3. The actions VMRC and/or the individual(s) will take to eliminate or mitigate the conflict of interest including, but are not limited to one or more of the following:
 - a. Resignation of the individual(s) from the position or activity creating the conflict of interest.
 - b. Refraining from participation, or limiting the individual's ability to act, in a particular matter or category of matters.

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- c. Change of assignment, duties, or position.
 - d. Withdrawal of financial interests that give rise to the conflict of interest.
 - e. Terminating or refraining from relationships that give rise to conflicts of interest.
4. Provide a detailed explanation of how each of the proposed actions will eliminate or mitigate the conflict of interest.
5. Provide the name, position and duties of the individual(s) who will be responsible for ensuring that any actions included in the Conflict Resolution Plan, if approved by the Department, will be followed, and monitored.
 - a. Explain any oversight and monitoring mechanism in enough detail to allow the Department to ascertain that the mechanism will eliminate or mitigate the conflict of interest.
6. A proposed Conflict Resolution Plan shall be signed by the following:
 - a. The individual(s) subject to the Conflict Resolution Plan;
 - b. The person in the designated position responsible for reviewing the Conflict-of-Interest Reporting Statement;
 - c. The person in the designated position responsible for monitoring performance under the proposed Plan, if approved.

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 California.