



## Life with the Power of Choice and Possibilities

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## VMRC Conflict of Interest Policy and Procedure

### Purpose/Intent

Valley Mountain Regional Center (VMRC) considers the best interests of persons with developmental disabilities as 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 4626.5 and the California Code of Regulations, Title 17, Section 54500 through 54535.

### Conflicts of Interest

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 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 (DDS) shall ensure that no VMRC employee, contractor, agent, or consultant has a conflict of interest and has developed and published a standard conflict-of-interest reporting statement (DS 6016 (Rev. 08/2013)). The DS 6016 shall be completed by each employee and returned to the Human Resources (HR) Department. This shall be done upon hire, annually, and upon any change in status.

Every new employee, and every current employee accepting a new position within VMRC, shall be provided a DS 6016 form from the HR Department, and shall complete the form and return it to HR within 30 days of hire.

Each year thereafter, the HR Department will provide all current staff with a new DS 6016 form beginning in June. Every employee shall complete and file the DS 6016 form by August 1st.

Every employee shall complete and file a subsequent DS 6016 form 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. It is the responsibility of the employee to inform the HR Department of any changes in status that would necessitate the completion of a new DS 6016 reporting statement.

The HR Department, as designee of the Executive Director, shall review the DS 6016 form of each employee within 10 days of receipt of the statement. If no conflict is indicated, the HR Department representative will sign and file the DS 6016 form. If a present or potential conflict of interest is identified, the DS 6016 will be forwarded to the Compliance Officer for review and signature. DS 6016 reporting forms with existing or potential conflicts of interest will be posted in the Transparency section of the VMRC website.

## **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 (CRP), or the individual shall resign his or her position. In the case of mitigation, a copy of the DS 6016 and CRP must be submitted to the Department within 30 days of receipt of the completed DS 6016 [W&I Code section 4626(k) and CCR, Title 17 section 54533(a)-(b)].

The Compliance Officer will collaborate with the employee who has a present or potential conflict of interest and their immediate supervisor to develop a CRP that seeks to mitigate the present or potential conflict of interest. The CRP will be signed by the Compliance Officer, the employee, and the employee's supervisor. The signed CRP and DS 6016 will be submitted by the Compliance Officer to VMRC's primary DDS Liaison or to [OCO@dds.ca.gov](mailto:OCO@dds.ca.gov). The Compliance Officer will track all submissions.

DDS will make a final determination regarding the approval or denial of the CRP and will inform the Compliance Officer of their decision. The Compliance Officer will inform the Executive Director of the DDS decision and will send the DS 6016, CRP, and the DDS decision letter to the HR Department for filing as well as to the employer and their supervisor. The Compliance Officer will track all expiration dates for approved CRPs and submit renewal requests to the department prior to expiration.

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

## **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.
  - 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.

### **Accepting Gifts**

VMRC staff are prohibited from accepting a gift or gifts from a service provider, consumer, or consumer's family member that is valued over fifteen dollars (\$15) per year.

### **Regional Center Senior Staff**

VMRC senior staff are prohibited from hiring relatives at the center or any ancillary foundation and organization. Senior staff are identified as people in key positions that drive strategic decision-making at VMRC. These key positions include at minimum:

- The Executive Director
- Members of the executive team
- The highest-ranking staff position in each of the following departments
  - Case Management
  - Clinical Services
  - Community Services
  - Finance
  - Human Resources

### **Family Members/Relatives**

For the purposes of this policy, family members and relatives are defined based upon the following definition in subdivision (f) of Section 54505 of Title 17 regulations: "Family Member' includes the individual's 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."

### **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.