



Conflict of Interest Code

- Council Meeting
May 26, 2016

Conflict of Interest Code Summary

- Council reviewed the proposed Code amendments
- Approved reporting language
- Asked staff to work a possible exception

Question for Today:

- Does the approved reporting language get the job done?
- Or is an exception needed?

Category 1

Under the proposed language:

What type of source of income is required to be reported?

- In general terms, a business or source of income involved with developmental disabilities products or services.
- The Council approved the specific language found in Section (b).

What if one of my sources of income is a patient?

- Follow the rules for reporting on the Form 700
- If you believe that your patient is protected by law from having his/her information shared, you can follow the FPPC rules.
- This FPPC rule is found in Regulation 18740
(The rule also applies to clients or any person whose information is protected by law.)

Regulation 18740

- Steps are summarized on Page 108 of Council materials
- The basic idea is that if you believe that you should not report a person's information, you would explain that to the FPPC.
- The FPPC has a process and would decide whether you have to report or not.

2 CCR 18740

Exception?

- Because the Council does not provide direct services to individuals, it would be acceptable for the Council to narrow its Form 700 reporting.
- An exception would narrow the reporting but would require you to figure out whether the exception applied to your situation.
- This is policy question for the Council: Should the Council narrow its Form 700 reporting?

How the exception would work

- You would not report a source of income if you received the income solely for providing direct services
- To address a health, welfare, educational or legal matter of an individual
- ☞ You would still have to report income for providing consultant services or professional or expert advice to a business or nonprofit organization

Pros & Cons

NO EXCEPTION

PROS 😊	CONS ☹️
Don't have to figure out if the exception applies	Must follow multiple steps required by the FPPC
More information	Not as narrowly tailored to Council functions

WITH EXCEPTION

PROS 😊	CONS ☹️
Narrowly tailored to Council functions	Have to figure out whether exception applies
	Less information

NOTE: Under either option, there will be more disclosure than now

Decision

- If you think the current language is fine, no further action is necessary.
- If you think the Code should be narrowed, you would adopt the exception.



State Council on Developmental Disabilities

Regulation 18740

Basic steps

- Submit Form 700 with explanation for not reporting and make required statements
- FPPC General Counsel will review
- If the General Counsel disagrees, you have to report, or you can appeal to the full Commission.
- If General Counsel agrees, then the Chair reviews and can approve or ask the full Commission review

Reporting v. Conflict of Interest

REPORTING FORM 700

→ Report economic interests like jobs, real property, investments on the Form 700

Conflict of Interest Code tells you what to report.

CONFLICT OF INTEREST GOVERNMENT DECISION MAKING

→ Do not vote or participate in matters that can financially affect your economic interest like an employer, real property or investment.

Government Code and regulations tells you what can trigger a conflict of interest.