



RCDSC Board of Directors

Redwood Coast Developmental Services Corporation

How to Spot and Handle Conflicts of Interest

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AGENDA

Welcome and Introduction

Conflict of Interest – What It Is and Why It Is Important

Common Conflicts of Interest at RCRC

What You Can Do About Conflicts of Interest

Discussion

What is a Conflict of Interest?

- RCRC Board Members have a duty to help RCRC provide excellent services to ALL people with developmental disabilities in the four-county region.
- Board Members have a duty to be **loyal** to RCRC - to make decisions in the best interest of RCRC and ALL the people it serves, now and in the future.
- A Conflict of Interest happens when people who make decisions at RCRC want to do something that ***might not*** be in the best interest of RCRC and ALL the people it serves.

Conflict of Interest Has Two Parts: Who Makes the Decision and the Result.

- Conflict of Interest means someone's participation in a decision *may lead to an unfair result.*
 - If you or another person make a decision, could the result be better for you or the other person than for RCRC?
 - If you or another person making a decision are loyal to RCRC and another organization, could the result be better for the other organization than for RCRC?

Conflict of Interest Happens A Lot. Here's How You Can Spot It.

- A Conflict of Interest usually happens when:
 - A *law or policy* says something is right or wrong
 - There is no law or policy, and your duty to be loyal to RCRC means you need to decide based on *what most people would agree is fair or not*
 - There is no law or policy, and your duty to be loyal to RCRC means you need to make a *hard decision without clear agreement about what is right or wrong, fair or unfair*

Conflict of Interest in Laws and Policies

- Federal and state laws and policies say what kinds of decisions can result in a Conflict of Interest.
- Laws and policies define Conflict of Interest as a decision that involves Board Members':
 - *Financial Interests* - money, property, contracts
 - *Employment* - jobs, consulting, speaking
 - *Professional/Business Relationships* - social and community networks, participation in services
 - *Personal Relationships* - family, friendships

Conflict of Interest in Laws and Policies

- The Lanterman Act says Regional Center Boards **must** include people with developmental disabilities, their families and others who support them.
 - *This law protects your input in Board decisions to help RCRC provide excellent services.*
 - *It means people on the Board **do not automatically have a conflict of interest** because they have relationships with providers and others who work with or for RCRC.*
- RCRC's Bylaws and Conflict of Interest Policy help ensure compliance with the Lanterman Act and other laws and policies.

Conflict of Interest - Decisions Based on What People Agree is Fair or Not

- Laws don't cover all possible Conflicts of Interest. When we make decisions, we need to think about *what would seem right* to most people in our community.
 - *Board members are often loyal to many people and organizations.*
 - *Sometimes its not easy for leaders to tell when to share information or not, or if something we do will seem right or wrong in the future.*
- Good questions to ask are: “If I make this decision or behave this way, could it seem unfair? Could my decision or behavior hurt my reputation or RCRC’s reputation?”

Conflict of Interest – Making Decisions With No Clear Agreements on Right and Wrong

- Sometimes Board Members need to make hard decisions when:
 - *More than one group could benefit from the result*
 - *Many people will benefit in the future, but the result could be hard for many people now.*
- Good questions to ask are “Who else could help make this decision? Do we need more information? If we try something now, can we change it later?”

Examples of Common and Possible Conflicts of Interest at RCRC

- The Board needs to decide if a Board member's relative can be hired to work at RCRC.
- The Board needs to decide if a friend of a Board member can be hired as a vendored provider.
- A Board member was invited to speak at an important event by an organization that works with RCRC, and the Board needs to decide whether to hire that organization for a large project.

Examples of Common and Possible Conflicts of Interest at RCRC

- The Board needs to decide whether to rent office space from the business partner of a Board member's sister.
- The Board needs to decide whether to stop a service that a few people use and instead start a service that will help many people, including Board members' families, friends and organizations that work with RCRC.
- The Board needs to decide whether to increase parent fees and family costs for services now or wait another year.

What You Can Do: Step 1

Help the Board Spot a Conflict of Interest

- **Tell other Board Members** if a decision you are asked to make involves:
 - *Your family or friends*
 - *Your job or people you know from your job*
 - *Other organizations in the community where you are a leader or receive services*
 - *Your financial interests (money, property)*
- **Speak up** if you think a decision might not seem fair to people in the community or involves hard questions.

What You Can Do: Step 2

Take a Step Back

- Even if there is a Conflict of Interest, the Board still needs to make a decision about RCRC business.
- If there is Conflict of Interest, the interested person **can not participate** in the discussion about the decision or vote on the decision.
- This helps others at RCRC and in the community trust the decision was made fairly.

What You Can Do: Step 3

Make a Plan for a Fair Result

- Once the Board makes a decision, the Board must make a *plan that shows how the result of the decision will always be fair.*
- The Board can usually make a plan to resolve a Conflict of Interest. Dr. Smalley will work with you to make the plan.
 - The plan will describe how future decisions and RCRC business will be handled fairly.
 - The plan must be signed by everyone involved in solving the Conflict of Interest.

What You Can Do: Step 4

Be Honest

- The CA Department of Developmental Services (DDS) needs to review and approve all plans to solve Conflicts of Interest.
 - *RCRC will post reports to DDS that identify a present or potential conflict of interest to its website until the conflict is resolved or eliminated.*
- Be honest and let others know about the possible Conflict of Interest and that the Board has a plan to solve it.
- Always be honest and do your part to stick to the plan.

What You Can Do: Step 5

Decide to Play a Different Role

- Sometimes, a Conflict of Interest can't be solved. This could happen if:
 - *The Board's decision involves RCRC business that will **take a long time to decide***
 - *The Board's decision is **more important to ALL people** than the participation of Board members who have the Conflict of Interest*
- If this happens, the people who have the Conflict of Interest may need to move to another position or give up their decision-making duties on the Board.
- They can choose to play a different role to help RCRC.

What You Can Do: Step 6

Learn More About Conflicts of Interest

- Sometimes laws and policies change, and it's a good idea to check for new information regularly.
- Talk about Conflicts of Interest and complete RCRC's Conflict of Interest Policy form at least once a year.
- Be aware that RCRC employees also must follow the RCRC Conflict of Interest policy.
 - *Directors, managers, service coordinators and other staff at RCRC are decision-makers who can have conflicts of interest, too.*

Questions and Discussion

- Do you have questions about Conflict of Interest?
- Can you give an example of a Conflict of Interest that could happen on the Board of Directors?
- Can you give an example of a Conflict of Interest that could happen for an employee of RCRC?
- Do you know what to do when you think a Conflict of Interest might happen?

Good Work! Thank You!