

**CONFLICT OF INTEREST VENDORS**

**Action Requested:** Consider approval of the following vendors with a potential conflict of interest:

UNIVERSITY OF IOWA

- ◆ BerryBooks
- ◆ Dewey Street Photo Company
- ◆ Mary Kay Kusner
- ◆ Performance Health & Fitness, LLC
- ◆ Performance Therapies, P.C.
- ◆ The Burch LLC, DBA Stella

IOWA STATE UNIVERSITY

- ◆ Aspera Corp.
- ◆ Brian Thompson Electric of Ames, Inc.

**Executive Summary:** Vendors at the Regent institutions and the Board Office with a potential conflict of interest are required by statute to be approved by the Board of Regents.

**UNIVERSITY OF IOWA**

**BerryBooks.** Venise Berry is an author and sole proprietor of BerryBooks, which is located in Coralville, Iowa.

Venise Berry is employed on a full-time basis as an Associate Professor in the School of Journalism and Mass Communication, College of Liberal Arts and Sciences, at the University of Iowa.

The University reports that Venise Berry does not have any authority to issue purchase orders or to approve payments for her department, nor has she been issued a procurement card.

**Dewey Street Photo Company (DSPC)** is a freelance photography business. Dawn Frary is the sole proprietor of the company, which is located in Iowa City, Iowa.

Dawn Frary is employed on a full-time basis as a Patient Account Representative in the Joint Office of Patient Financial Services (JOPFS) at the University of Iowa Hospitals and Clinics.

The University reports that Dawn Frary does not have any authority to issue purchase orders or to approve payments for her department, nor has she been issued a procurement card.

**Mary Kay Kusner** is an author and sole proprietor from Iowa City, Iowa.

Mary Kay Kusner is employed on a 75% basis as a Program Assistant in Pastoral Services at the University of Iowa Hospitals and Clinics.

The University reports that Mary Kay Kusner does not have any authority to issue purchase orders or to approve payments for her department, nor has she been issued a procurement card.

**Performance Health & Fitness, LLC** is a health club. David Williams holds a 99% ownership in the business, which is located in Coralville, Iowa.

**Performance Therapies, P.C.** is a physical therapy outpatient facility. David Williams owns the business, which is located in Coralville, Iowa.

David Williams is employed on an 80% basis as an Associate in the Graduate Program in Physical Therapy and Rehabilitation Science, College of Medicine, at the University of Iowa.

The University reports that David Williams does not have any authority to issue purchase orders or to approve payments for his department, nor has he been issued a procurement card.

**The Burch LLC, DBA Stella** is a restaurant. Dan Ouverson holds a 50% ownership in the business, which is located in Iowa City, Iowa.

Dan Ouverson's wife, Sheila Ouverson is employed on a full-time basis as a Business Manager II in the Joint Office of Patient Financial Services (JOPFS) at UIHC.

The University reports that:

- ◆ Sheila Ouverson does not have any authority to issue purchase orders or to approve payments for her department, nor has she been issued a procurement card;
- ◆ Sheila Ouverson will not participate in any discussions, decisions, business transactions, or correspondence involving Stella and the University of Iowa; and
- ◆ JOPFS will solicit competitive bids whenever Stella is involved.

#### **IOWA STATE UNIVERSITY**

**Aspera Corp.** provides molecular printing services. Asrun Yr Kristmundsdottir, holds a 23% ownership in the business, which is located in Ames, Iowa.

Asrun Yr Kristmundsdottir is employed as a full-time Program Coordinator I/Pre-Award Administrator in the Office of Sponsored Programs Administration (OSPA) at Iowa State University.

The University reports that:

- ◆ Asrun Yr Kristmundsdottir has not been issued a procurement card;
- ◆ Asrun Yr Kristmundsdottir will not participate in any discussions, decisions, business transactions, or correspondence involving Aspera Corp. and ISU, nor will he have any authority to make any University purchasing or payment decisions associated with this business;
- ◆ OSPA and the Office of the Vice President for Research and Economic Development (VPR/ED) acknowledge awareness of Asrun Yr Kristmundsdottir's request to do business as a conflict of interest vendor and will permit these efforts as long as they are conducted outside the workplace and on his own time. The OSPA Director is aware of the potential conflict and will ensure that work for Aspera Corp. is conducted outside the ISU workplace;
- ◆ Aspera Corp. services will not be sold to the department in which Asrun Yr Kristmundsdottir is employed;
- ◆ The Office of the VPR/ED agrees that Asrun Yr Kristmundsdottir would have no influence in awarding a University contract, nor will he be permitted to serve on any university-related committees for this type of work; and
- ◆ ISU will solicit competitive bids whenever a conflict exists.

**Brian Thompson Electric of Ames, Inc.** (Thompson Electric) is an electrical contracting services business. Lynne Mumm co-owns Mumm Enterprise, Inc., which has a 25% ownership interest in Thompson Electric.

Lynne Mumm is employed on a full-time basis as a Technology Commercialization Specialist in the Institute for Physical Research and Technology (IPRT) Company Assistance Contract Research Department (CACRD) at Iowa State University.

The University reports that:

- ◆ Lynne Mumm has not been issued a procurement card;
- ◆ Lynne Mumm will not participate in any discussions, decisions, business transactions, or correspondence involving Thompson Electric and ISU, nor will she have any authority to make any university purchasing or payment decisions associated with this business;
- ◆ CACRD and the IPRT Director acknowledge awareness of Lynne Mumm's request to do business as a conflict of interest vendor and will permit these efforts as long as they are conducted outside the workplace and on her own time. Lynne Mumm's direct supervisor and department manager is aware of the potential conflict and will ensure that work for Thompson Electric is conducted outside the ISU workplace;
- ◆ IPRT CACRD will not purchase products or services from Thompson Electric;
- ◆ IPRT agrees that Lynne Mumm would have no influence in awarding a University contract, nor will she be permitted to serve on any university-related committees for this type of work; and
- ◆ ISU will solicit competitive bids whenever a conflict exists.

**Background:**

The Iowa Code [68B]:

- ◆ Does not alleviate the requirement for institutions to obtain competitive bids and provide public notice.
- ◆ Prohibits an official or employee of a regulatory agency from selling, either directly or indirectly, goods or services to the agency of which the individual is an official or employee, except when certain conditions are met.
- ◆ Requires all regulatory agencies to adopt rules specifying the method by which employees may obtain agency consent for exception.
- ◆ Requires the person making a permissible sale under this statute to file a report with the Iowa Ethics and Campaign Disclosure Board disclosing the transaction.

The Iowa Administrative Code [681-8.9]:

- ◆ Precludes individuals with potential conflicts from being directly involved in the purchasing decisions or authorizing of any such contracts making material changes to such contracts.
- ◆ Requires Board authorization when a single purchase from a conflict of interest vendor (Regent employee) exceeds \$2,000 unless the sale is made after public notice and competitive bidding.

Once a vendor with a potential conflict of interest is approved by the Board, any Regent institution is authorized to purchase from that vendor.