

# HR18. Conflict of Interest

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Rev5 4-23-13  
Rev6 4-29-16

## **POLICY:**

The purpose of this policy is to provide a guideline for objectivity in research and evaluation as well as follow The Code of Federal Regulations pertaining to various types of conflict(s) of interest. It is Pacific Institute for Research and Evaluation's (PIRE) objective to conduct all business in accordance with Federal regulations and to promote objectivity in research by establishing standards to detect any actual, apparent, or potential bias/conflict of interest, either financial, personal or organizational, which may arise during the design, conduct, or reporting of research, programs and activities funded under any federal contract, grant, cooperative agreement or sub-recipient agreement.

In order to maintain this objectivity and compliance, PIRE requires that its potential and existing employees, contractors, sub-recipients, sub-grantees, and consultants (collectively referred to herein as "Individual" or "Individuals") must comply with the requirements and policies set forth herein. These requirements and policies include the avoidance and disclosure of organizational conflicts, impaired objectivity, and significant financial interests as defined below.

## **DEFINITIONS:**

### **Organizational Conflict**

- (1) The existence of conflicting roles that might bias an Individual's judgment; (2) unfair competitive advantage as the result of obtaining:
  - (a) Proprietary information from a Government official without proper authorization; or
  - (b) Source selection information, as defined by Federal Acquisition Regulations (FAR) Subpart 2.101, that is relevant but is not available to all competitors; and/or
  - (c) unequal access to information that is non-public

### **Impaired objectivity**

An Individual may have Impaired Objectivity if the Individual, or member of his/her immediate family (spouse, parent or child), has financial or other interests that would impair, or give the appearance of impairing, impartial judgment in the evaluation of government programs, in offering advice or recommendations to the government, in providing technical assistance or other services to recipients of Federal funds as part of its contractual responsibility, or in the procurement of goods and services for federally-funded projects. (See Procurement Policy and Procedures.)

The financial or other interests that may give rise to Impaired Objectivity include, but are not limited to, the following situations that would cause a reasonable person with knowledge of the relevant facts to question a person's objectivity:

- (1) Financial interests or reasonably foreseeable financial interests in, or in connection with, products, property, or services that may be purchased by an agency, person, organization, or institution in the course of implementing any program administered by the Government;
- (2) Significant connections to models, methodologies or approaches that might require or encourage the use/purchase of specific products, property or services in the course of implementing any program administered by the Government;

- (3) Significant identification with pedagogical or philosophical viewpoints that might require or encourage the use/purchase of a specific curriculum, specific products, property or services, in the course of implementing any program administered by the Government.

### **Significant Financial Interest**

Anything of monetary value, including but not limited to salary or other payments for services (e.g., consulting fees or honoraria); equity interests (e.g., stocks, stock options, or other ownership interests); and intellectual property rights (e.g., patents, copyrights, and royalties from such rights). The definition does not include:

- (1) Salary, royalties, or other remuneration from the applicant institution;
- (2) Any ownership interests in the institution, if the institution is an applicant under the SBIR Program;
- (3) Income from seminars, lectures, or teaching engagements sponsored by public or nonprofit entities;
- (4) Income from service on advisory committees or review panels for public or nonprofit entities;
- (5) An equity interest that, when aggregated for the Individual and the Individual's spouse and dependent children, meets both of the following tests: Does not exceed \$5,000 in value as determined through reference to public prices or other reasonable measures of fair market value, and does not represent more than a five percent ownership interest in any single entity; or
- (6) Salary, royalties or other payments that when aggregated for the Individual and the Individual's spouse and dependent children over the next twelve months, are not expected to exceed \$5,000.

### **Conflict of Interest**

#### *Disclosure*

Each new employee, consultant, contractor, sub-grantee, or sub-recipient (Individual) shall:

- (1) Acknowledge in writing that they have received and read PIRE's Conflict of Interest policy by completing and signing the Conflict of Interest Policy Acknowledgment Form (Acknowledgment Form);
- (2) Disclose any/all actual or potential Conflict of Interest, regardless of their opinion that such a conflict will not impair their objectivity, by completing and signing a Conflict of Interest Disclosure Statement Form (Disclosure Statement).

When a proposal or application is submitted to a Federal agency, the Individual requesting the Federal funding is required to submit a Conflict of Interest Project Specific Disclosure (Project Specific Disclosure) to PIRE.

The Project Specific Disclosure is to be completed by the Individual who has primary responsibility for the design, conduct, or reporting of research, programs and activities funded by the Federal Government, or proposed for such funding, and must disclose whether any Individual working on the project has a Conflict of Interest and provide a listing of his/her known Significant Financial Interests (and those of his/her spouse and dependent children):

- (1) that would reasonably appear to be affected by the research, programs and activities for which Government funding is sought; or
- (2) that is held in any entity whose financial interests would reasonably appear to be affected by the research, programs and activities for which government funding is sought.

In addition, annually all Individuals shall sign and submit an Acknowledgment Form, the Disclosure Form, and if appropriate, the Project Specific Disclosure, which will be kept on file in PIRE's Central Business Office for up to 3 years, as required. The Project Specific Disclosure must be updated annually during the period of the award and/or within 30 days of discovering or acquiring a new Conflict of interest.

If research, programs and activities are carried out through sub-grantees, sub-recipients, or collaborators, PIRE

requires that either:

- (1) the employees, contractors and consultants of the sub-grantees, sub-recipients, or collaborators comply with PIRE's policy, or
- (2) the sub-grantee, sub-recipient, or collaborator provide assurance to PIRE that it has in place an effective and enforced conflict of interest policy, which complies with 42 CFR 50 Subpart F and/or FAR Subpart 9.5.

### *Responsibilities*

Individuals charging directly to a Federally funded project shall:

- (1) Complete Financial Conflict of Interest training prior to engaging in a research project and thereafter, every four years.
- (2) Complete and submit a Project Specific Disclosure prior to working on a Federally funded project.
- (3) Update annually or within 30 days of a change in financial status (acquisition of new financial interest or other conflict of interest) the Disclosure Statement and any applicable Project Specific Disclosure.
- (4) Update the Disclosure Statement and any Project Specific Disclosure immediately when:
  - (a) PIRE's Conflict of Interest policies change in a manner that affects the employee requirements;
  - (b) There is a new Individual that will work on the project;
  - (c) PIRE finds an Individual noncompliant with the COI policy or management plan.

### *Management of Conflicting Interests*

Acknowledgement Forms will be requested from Individuals at the time of hire and updated annually. The Human Resources Department will retain, in each employee's personnel file, one signed original of the Acknowledgement Form. All Disclosure Statements and Project Specific Disclosures signed by any Individuals will be held by the Chief Financial Officer. For non-employee Individuals, the Acknowledgement is made part of a formal sub-recipient Agreement and is retained in the project file for the duration of the project period.

PIRE's CFO will review all Disclosure Statements and Project Specific Disclosures and determine whether a Determined Conflict of Interest exists and, if so, determine what actions should be taken by PIRE to manage, reduce, or eliminate such Determined Conflict of Interest. A Determined Conflict of Interest is deemed to exist when the designated official reasonably determines that a Significant Financial Interest, an Organizational Conflict, or Impaired Objectivity could directly and significantly affect the design, conduct, or reporting of the Government-funded research, program or activity. The designated official shall share with the CFO any and all instances of financial, organizational or objectivity conflict of interests as soon as they are deemed to exist.

Examples of conditions or restrictions that might be imposed to manage conflicts of interest include, but are not limited to:

- (1) Public disclosure of significant financial interests;
- (2) Monitoring of research, programs and activities by independent reviewers; (3) Modification of the research/project plan or program;
- (3) Disqualification from participation in all or a portion of the research, programs and activities funded by the Government;
- (4) Divestiture of significant financial interests; or
- (5) Severance of relationships that create actual or potential conflicts.

In addition to the types of conflicting Significant Financial Interests described above that must be managed,

reduced, or eliminated, PIRE may require the management of other conflicting financial interests, as PIRE deems appropriate.

### *Remedies*

If the failure of an Individual to comply with the Conflict of Interest policy of PIRE has biased the design, conduct, or reporting of the Government-funded research, program or activity, PIRE will promptly notify the Government agency that awarded the funding for the research, program or activity (“Government Awarding Agency”) of the corrective action taken or to be taken to manage, mitigate, neutralize or eliminate the conflict. The Government Awarding Agency will consider the situation and, as necessary, take appropriate action, or refer the matter back to PIRE for further action. If the Government Awarding Agency determines the Federally funded research project was designed, conducted or reported by a PIRE Individual with a Conflict of Interest, that was not managed or reported by PIRE in accordance with Government policy/regulations, the Individual involved will be required to:

- (1) Disclose the Conflict of Interest in each public presentation of the results of the research; and
- (2) Request an addendum to previously published presentations to disclose the Conflict of Interest.

Further action may include, but is not limited to, issuing directives to PIRE regarding how to maintain appropriate objectivity in the funded project.

The Government may terminate a contract, in whole or in part, if it deems such termination necessary to avoid the appearance of a conflict of interest. Further remedies include suspension or debarment from contracting with the Federal Government. PIRE may also be required to reimburse the Government Awarding Agency for costs that agency incurs arising from the conflict of interest. An example of such costs would be those incurred in processing Freedom of Information Act requests related to a conflict of interest inquiry.

If the Individual was aware of a potential conflict of interest prior to an award or discovered an actual or potential conflict after award and did not disclose or misrepresented relevant information to the Government Awarding Agency, the Government may terminate the contract for default, or pursue such other remedies as may be permitted by law.\*

The Government may at any time inquire into PIRE's procedures and actions regarding conflicting financial interests in Government-funded research, programs and activities, including a requirement for submission of, or review on site, all records pertinent to compliance with 45 CFR 50 Subpart F or FAR Subpart 9.5.

For further information or questions, Individuals should contact the Manager of Research Integrity

Compliance and Sub-recipients/Consultants should contact the Director of Contracts & Grants.

\*These remedies include imprisonment for up to five years for violation of Title 18, U.S. Code, § 1001 and fines of up to \$5000 for violation of Title 31, U.S. Code, § 3802.

### *Applicable Forms:*

- (1) Conflict of Interest Acknowledgement Form
- (2) Conflict of Interest Disclosure Statement
- (3) Conflict of Interest Project Specific Disclosure

### *Other Applicable Policies:*

- (1) Board of Directors Conflict of Interest Policy (B5)
- (2) Procurement Policy and Procedures



## Conflict of Interest Policy Acknowledgement

By signing below, I attest that I have read Pacific Institute's updated Conflict of Interest Policy (dated 4/29/2016). Further, I understand that I must submit an Acknowledgement Form and a Disclosure Statement at the inception of my relationship with PIRE and a Project Specific Disclosure for each research project in which I have a financial, personal, or organizational conflict of interest that would impair my objectivity, as described in the policy.

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Affiliation: \_\_\_\_\_

Address: \_\_\_\_\_

Email: \_\_\_\_\_

Phone: \_\_\_\_\_

Date: \_\_\_\_\_

Please submit to:

Human Resources  
Pacific Institute for Research and Evaluation  
11720 Beltsville Drive, Suite 900  
Calverton, MD 20705-3111

For further information, contact [hr@pire.org](mailto:hr@pire.org)



## Conflict of Interest Disclosure Statement Form

**Title of Project:** \_\_\_\_\_  
\_\_\_\_\_

I, \_\_\_\_\_, to the best of my knowledge, have no Significant Financial Interests (SFI) or other Conflicts of Interest which require disclosure at this time.

I, \_\_\_\_\_, have attached a listing of my actual or potential Conflicts of Interest (as defined in PIRE's Conflict of Interest Policy dated April 2016), which include those of my spouse and dependent children, that would reasonably appear to be affected by the research listed above. Also included is a listing of my known Significant Financial Interests (and those of my spouse and dependent children) in entities whose financial interests would reasonably appear to be affected by the research.

I further understand that, as new conflicts of interest become apparent, I must file a new disclosure statement.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

For CBO use only

Reviewed by: \_\_\_\_\_ Date: \_\_\_\_\_

Chief Financial Officer

Title: