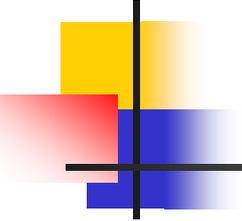


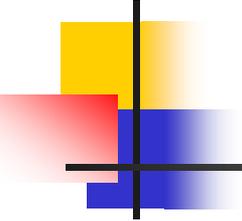
Arizona's Conflict of Interest Laws

Jennifer Pollock
Arizona Attorney General's Office



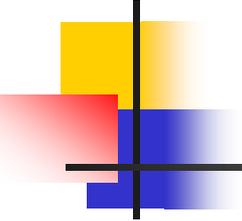
Purpose of Conflict of Interest Laws

- To prevent self dealing by public officials



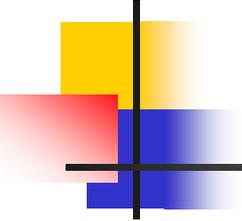
Application of Conflict of Interest Laws

- A.R.S. § 38-501(A):
- Applies to all public officers and employees of the state and any of its departments, commissions, agencies, bodies or boards.



Public Officers

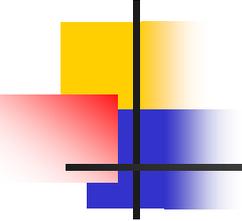
- A.R.S. § 38-502(8):
- “Public Officer” means all elected and appointed officers of a public agency established by charter, ordinance, resolution, state constitution or statute.
- Regional Partnership Council members are public officers of a public agency.



Arizona

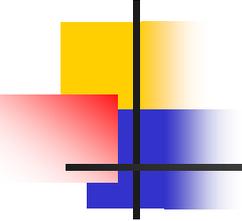
Conflict of Interest Laws

- A.R.S. § 38-503(A):
- “Any public officer or employee of a public agency who has, or whose relative has, a substantial interest in any contract, sale, purchase or service to such public agency shall make known that interest in the official records of such public agency and shall refrain from voting upon or otherwise participating in any manner as an officer or employee in such contract, sale or purchase.”



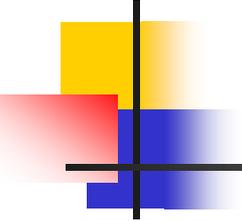
Conflict of Interest Laws Continued

- A.R.S. § 38-503(B):
- “Any public officer or employee who has, or whose relative has, a substantial interest in any decision of a public agency shall make known such interest in the official records of such public agency and shall refrain from participating in any manner as an officer or employee in such decision.”



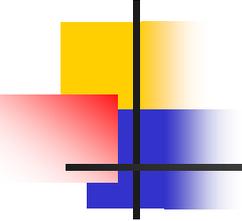
Conflict of Interest Laws Continued

- A.R.S. § 38-503(C):
- “Notwithstanding the provisions of subsections A and B of this section, no public officer or employee of a public agency shall supply to such public agency any equipment, material, supplies or services, unless pursuant to an award or contract let after public competitive bidding. . . [with some exceptions].”



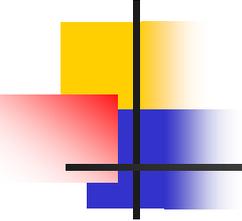
Relatives

- A.R.S. § 38-502(9):
- “Relative” means a spouse, child, grandchild, parent, grandparent, brother or sister of whole or half blood and their spouses and the parent, brother, sister or child of a spouse.
- Public officers have an affirmative obligation to become aware of the interests of their relatives in matters in which the officer may become involved.



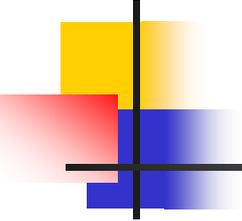
Substantial Interest

- A.R.S. § 38-502(11):
- “Substantial Interest” means any pecuniary or proprietary interest, either direct or indirect, other than a remote interest.



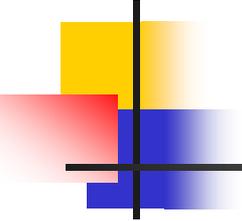
Substantial Interest

- Ask the following questions:
- Will the decision affect, either positively or negatively, an interest of the officer or employee or the officer's or employee's relative?
- Is the interest a pecuniary (monetary) or proprietary (ownership) interest?
- Is the interest other than one statutorily designated as a remote interest?



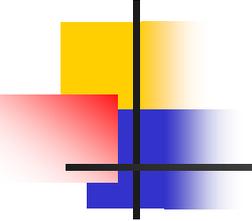
Remote Interest

- If an interest is a remote interest, the public officer need not disclose it and may participate in the agency's action or decision.



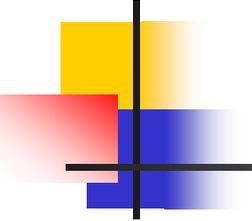
Remote Interests

- A.R.S. § 38-502(11):
- Non-salaried officer of a nonprofit corporation;
- Landlord or tenant of the contracting party;
- Attorney of a contracting party;
- Member of a nonprofit cooperative marketing association;



Remote Interest Continued

- Insignificant stock ownership;
- Officer being reimbursed for actual and necessary expenses in the performance of official duties;
- Recipient of public services generally available;
- Relative of a school board member other than a spouse or dependent;



Remote Interest Continued

- Officer or employee of another public agency unless the contact/decision involved confers a direct benefit or detriment upon the officer, employee or his/her relative;
- Class interest where the officer's interest is no greater than the interests of the other members of the class.

ECDH

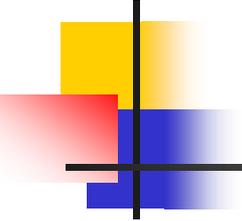
Conflict of Interest Statute

- A.R.S. § 38-1173(C):
- “No regional partnership council member shall vote on, or participate in the discussion of, any grant proposal in which any entity by which they are employed or on whose board they serve on has a substantial interest.”

ECDH

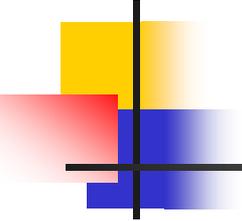
Conflict of Interest Statute

- Places extra burden on regional council members.
- Must determine if your employer or a board on which you serve has a substantial interest in a grant proposal being considered by your regional council.



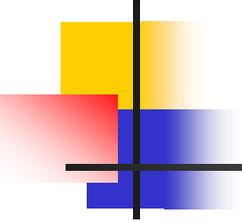
Responsibilities

- Who determines if you have a conflict?
 - You (the public officer or employee) must determine if you have a conflict of interest.
 - Even if you believe you can be objective in making a decision and that the public interest will not be harmed by your participation, you do not have discretion to ignore the statutory mandates.



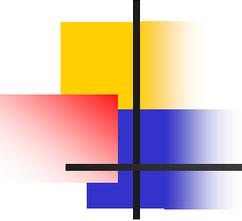
Responsibilities

- What do you do if you have a conflict of interest?
 - You must disclose your interest in the official records of the public agency.
 - You must recuse yourself and refrain from participating in any manner in the decision or contract. This includes recusing yourself from any discussion of the matter.



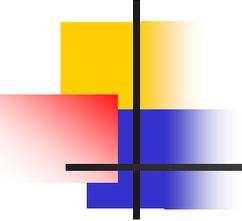
Responsibilities

- How do you disclose a conflict of interest?
 - File with the agency a signed, written disclosure statement fully disclosing the interest; or
 - File with the agency a copy of the official minutes of the agency, in which you fully disclose the interest.



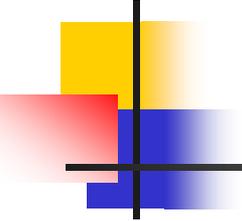
Responsibilities

- The agency must maintain a conflicts of interest file with the written disclosures of the officers or employees who have identified conflicts of interest.



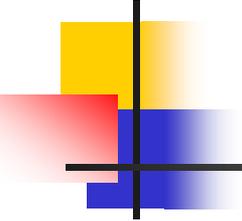
Sanctions for Violations

- A.R.S. § 38-510:
- If the violation is intentional or knowing, it is a class 6 felony.
- If the violation is reckless or negligent, it is a class 1 misdemeanor.
- Upon conviction, a public officer or employee forfeits the public office or employment.



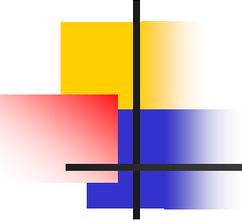
Sanctions for Violations

- Contracts entered into in violation of conflicts of interest laws may be cancelled or voided.



Advice

- Analyze every matter coming before your regional council to determine if you have a conflict of interest.
- Make your determination prior to the regional council addressing the matter.
- Follow the statutory mandates for disclosing your conflict of interest.



Ethics Training

- Will be provided for all Regional Partnership Council Members in the near future.
- Regional Coordinators will follow up with more information.