



**WORKFORCE INVESTMENT COUNCIL
DISTRICT OF COLUMBIA**



WIC Policy No.	Subject	Date
2012.002	CONFLICT OF INTEREST & RECUSAL POLICY	January, 10, 2012

Purpose: This policy provides the Workforce Investment Council (WIC) board members policy and procedure for Conflict of Interest and Recusal. The purpose of this conflict of interest policy is to protect the District of Columbia's Workforce Investment Council (WIC) and Department of Employment Services (DOES) interests when they are contemplating entering into a transaction or arrangement that might benefit the private interests of a board member of the WIC.

This policy is intended to supplement, but not replace, any applicable state and federal laws governing conflicts of interest applicable to government entities.

Applicability: This policy applies to all WIC board members.

Authorities: TITLE I OF THE WORKFORCE INVESTMENT ACT. Subpart B - Administrative Rules, Costs and Limitations.

Definitions:

- A. **Interested person** -- Any board member, who has a direct or indirect financial interest, as defined below, is an interested person.
- B. **Financial interest** -- A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:
 - a. An ownership or investment interest in any entity with which the WIC or DOES has a transaction or arrangement,
 - b. A compensation arrangement with any entity or individual with which the WIC or DOES has a transaction or arrangement, or
 - c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the WIC or DOES is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial. A financial interest is not necessarily a conflict of interest. A person who has a financial interest may have a conflict of interest only if the Board Executive Committee decides that a conflict of interest exists, in accordance with this policy.

Policy and Procedures:

- A. **Duty to Disclose** -- In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the Board or Executive Committee.



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- B. **Recusal of Self** – Any director may recuse himself or herself at any time from involvement in any decision or discussion in which the director believes he or she has or may have a conflict of interest, without going through the process for determining whether a conflict of interest exists.
- C. **Determining Whether a Conflict of Interest Exists** -- After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the Board or Executive Committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Board or Executive Committee members shall decide if a conflict of interest exists.
- D. **Procedures for Addressing the Conflict of Interest**
- a. An interested person may make a presentation at the Board or Executive Committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
 - b. The Chair of the Board or Executive Committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
 - c. After exercising due diligence, the Board or Executive Committee shall determine whether the WIC or DOES can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
 - d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board or Executive Committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the WIC or DOES's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.
- E. **Violations of the Conflicts of Interest Policy**
- a. If the Board or Executive Committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
 - b. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the Board or Executive Committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.