

# HIGHER EDUCATION COMPLIANCE CONFERENCE

JUNE 1 - 3, 2020

## Imagineering a University-Wide Conflict of Interest/Commitment Disclosure Process



Making (What Seems Like) the Impossible, Possible



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Society of Corporate  
Compliance and Ethics

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## Presenters

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CCEP, CISA, EnCE


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<b>Public Land Grant</b>	<b>28,596 Acres located on two campuses and across the state</b> 1,841-acre campus in Auburn, Alabama 500-acre campus in Montgomery, Alabama 26,255-acres scattered across Alabama used by Agricultural Experiment Substations and Field Units. Additional Extension System offices in 67 Alabama counties	<b>35,648 Total Students (AU/AUM) (Fall 2019)</b> 29,117 Undergraduate Students 6,531 Graduate & First Professional (Vet Med and Pharmacy)	<b>5695 full-time faculty &amp; staff (Fall 2019)</b>	<b>R1 Research Institution</b>	<b>\$1.2 billion expenditures (FY 2018)</b>	<b>Notable Alumni</b> <ul style="list-style-type: none"> <li>• Tim Cook</li> <li>• Octavia Spencer</li> <li>• Jimmy Wales</li> <li>• Millard Fuller</li> <li>• Kathryn Thornton</li> <li>• Bo Jackson</li> <li>• Cam Newton</li> <li>• Etc.</li> </ul>





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# AUBURN

UNIVERSITY

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## Office of Audit, Compliance & Privacy

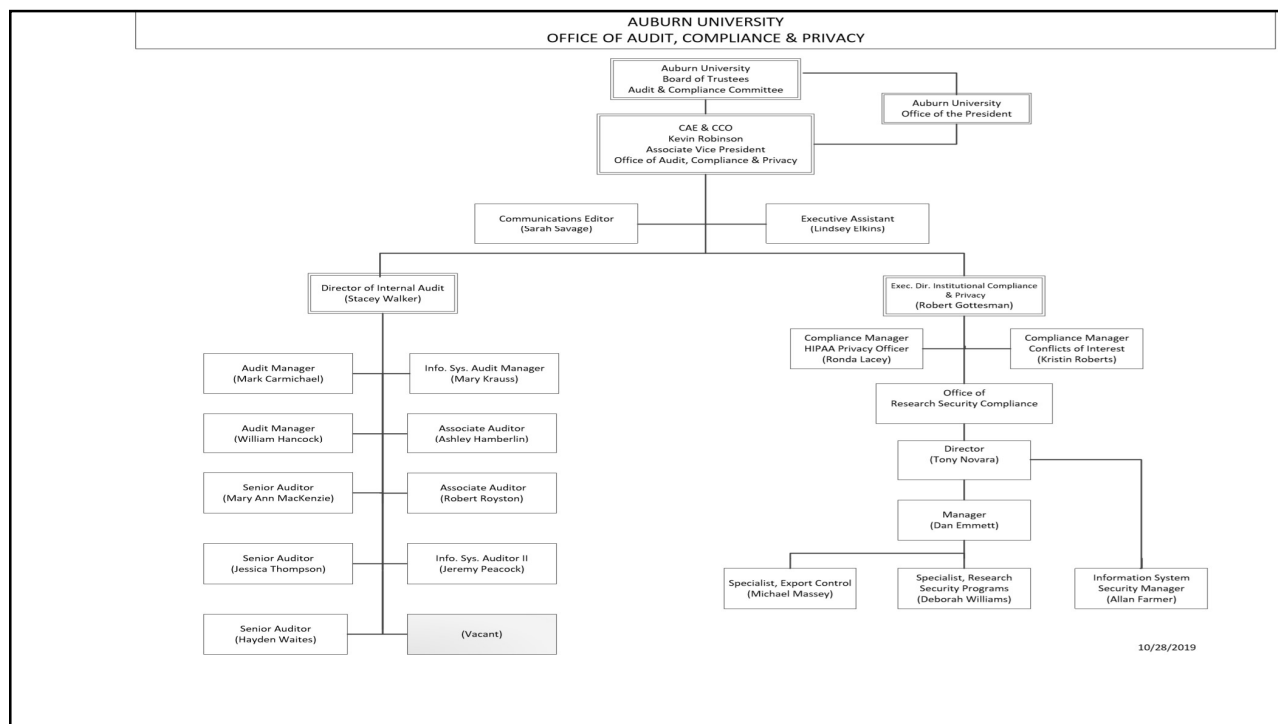
### Our Mission

The mission of the Office of Audit, Compliance & Privacy is to assist Auburn University, Auburn University at Montgomery, the Alabama Cooperative Extension System, and the Alabama Agricultural Experiment Station (the "University") in fulfilling its vision of being a preeminent comprehensive land-grant university. Our office provides services in three distinct yet related disciplines - audit, compliance, and privacy - in support of Auburn University's three-pronged mission of teaching, research, and service.

The Office of Audit, Compliance & Privacy functions in partnership with University leadership to:

- improve the internal control system and culture;
- improve and enhance the management of operational, financial, compliance, strategic and reputational risks;
- enhance governance processes;
- ensure strong stewardship and management accountability at all levels of the University.

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#### POLL QUESTION 1

1. What best describes your institution
  - a. Doctoral University
  - b. Master Colleges and Universities
  - c. Baccalaureate Colleges
  - d. Associate's Colleges
  - e. Special Focus: Two-Year
  - f. Special Focus: Four-Year
  - g. Tribal Colleges
  - h. Non-College/University attendee

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## Ethics

- Ethical Theories/Models
- Ethics Research and the Latest Trends
- Case Studies of Recent Major Cases



Former UCLA soccer coach to plead guilty in admissions scam

Federal prosecutors say the former University of California at Los Angeles men's soccer coach will plead guilty to taking \$200,000 in bribes as part of the college admissions cheating scheme

National Security

FBI arrests Harvard chemist; two others charged in Chinese research cases

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## Instead – Sharing Our Own Story

- Some things we've done to try to impact ethics
- A recent experience
- Our move to proactively manage one type of ethical risk

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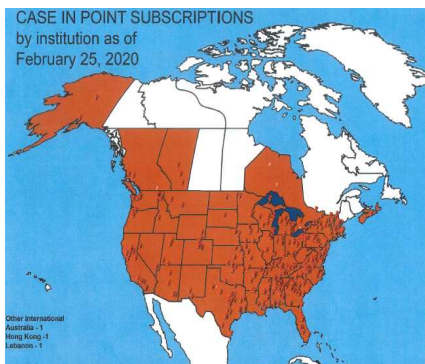
## Our Role in Impacting Ethics

- Case in Point
- New Employees



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## Culture Change



### AUBURN UNIVERSITY OFFICE OF AUDIT, COMPLIANCE & PRIVACY

#### Case in Point: *Lessons for the proactive manager*

May 2019  
Vol. 11 No. 05  
[Subscribe!](#)

Last month we wrapped up our review of the events of 2018. This month we will focus on what may be the hottest topic in higher education right now: conflicts of interest. I came to this conclusion not only from our analysis of Case in Point, but also from conversations with colleagues across the country and issues we've worked on here at AU. This spring I presented on the topic of conflicts of interest at ACUA's Audit Interactive and the room was at capacity with many attendees standing. I can only speculate what has driven this topic to prominence over the past year but my guess is that these issues will not go away anytime soon.

To begin this column we need to define what we mean by a conflict of interest. Here is our definition:

A conflict of interest is a situation in which a person or organization is involved in multiple interests, financial or otherwise, and serving one interest could involve working against another. Typically, this relates to situations in which the personal interest of an individual or organization might adversely affect a duty owed to make decisions for the benefit of a third party.

**Quotable...**  
"Ethical decisions ensure that everyone's best interests are protected."  
— Harvey MacKay

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CU Boulder professor misappropriated funds from Los Alamos research contract, feds say

(feds threaten possible prison to mail fraud, could be sentenced to 20 years)

UGA: Now-deceased employee stole \$1.3 million from Greek Life organizations

Saturday, August 31, 2019 @ 4:13 PM

WFTV INVESTIGATES

**UNC System head, former UNC Health Care CEO didn't disclose corporate board seats that paid millions on ethics forms**

Attorney general files fraud charges against former UNM athletic director


By VEE Walker | vwalker@denverpost.com | 7:18 a.m. | Updated 1 hr ago

Local

University of Maryland computer security breach exposes 300,000 records

**The WORLD HAS CHANGED...**

UCLA professor strikes deal in lab fire case, avoids prison



**Lauren McCluskey's parents file \$56 million lawsuit against University of Utah**

Lawsuit claims Lauren's murder occurred because of the university's repeated failure to respond to Lauren's pleas for help

Judge orders ex-PSU president Spanier to jail

More Northern Kentucky women's basketball players speak out about alleged abusive treatment from coach

Former Michigan State president charged with lying to police in Larry Nassar investigation

By DAN MURPHY in ESPN | Nov 20, 2019, 4:55 PM EST

Lax oversight allowed high-paid Georgia Tech officials to misuse tax money

William Strampel first Michigan State official tied to Larry Nassar to be convicted

Wages Daily, Lansing State Journal | Published 10:14 a.m. ET June 12, 2019 | Updated 3:43 p.m. ET June 12, 2019

LANSING — A jury on Wednesday found former Michigan State University dean William Strampel guilty of misconduct in office and willful neglect of duty.

**CSU: Former professor facing criminal charges for forging offer letter**

A former associate professor is charged with attempting to influence a public official after his former employer says he forged an offer letter from another university.

Questions about whether Urban Meyer may have violated Title IX or OSU policy

by Rodney Durlagin | Thursday, August 2nd 2018


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Higher Education Compliance Conference: 2020

# Our recent experience...

# It started like a normal day...

- The dreaded anonymous letter arrives
- Sent to board, media, and prominent alumni
  - With a CC: to me, the governor, and others
- The letter's title said:



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## Our recent experience... It started like a normal day...

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- The letter's title said:

**Nepotism at Auburn University: Stealing Jobs, Taxpayers Money, and Student Tuition**

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## Our Journey into COI Management

Started with Board interest in the specific COI of nepotism.

- But nepotism is one form of COI
- Concluded we needed an AU wide solution to a bigger issue
- Current administration wants a solution asap

### Political Environment

- Ethics Point increase in COI questions over the past couple years
- Case in Point analysis
- Risk discussions with peers
- Continuing national stories that have ethical underpinnings

Four top Georgia Tech officials out amid internal investigations



Four former top officials of Georgia Tech are out following allegations they misused their positions. They are from left: Scott Swartz, former executive vice president of administration and finance; Tom Skyles, former director of digital innovation; Leslie Lunsney, former vice president of parking and transportation services; and Paul Strooks, former vice president of campus services. Photo: Georgia Tech.

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## Our Charge...

To develop a way to proactively manage conflicts of interest at Auburn University



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Conflict of  
Interest/Commitment

- A **conflict of interest** is a situation in which an individual has, or appears to have, competing interests or loyalties because of their duties to more than one person or organization.
- A **Conflict of Commitment** is a situation in which an employee engages in an outside professional activity, paid or unpaid, that involves a commitment of time that may interfere, or appear to interfere, with fulfillment of the employee's obligations to the University, even if the outside activity is valuable to the University or contributes to the employee's professional development and competence.



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## POLL QUESTION #2

2. What best describes your current COI/C reporting requirements?
- a) Institution-Wide All Employees
  - b) Institution-Wide All Full-time employees only
  - c) Institution-Wide Researchers Only
  - d) Selected Researchers
  - e) No current COI/C reporting
  - f) Don't know

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## Our approach

A golfer must hit an approach shot to the green over a tree.

- (a) What initial velocity must be imparted to the ball so that it will follow the trajectory indicated in Fig. 3-30?
- (b) Find the horizontal distance  $d$  that the ball travels after it clears the tree before hitting the ground.

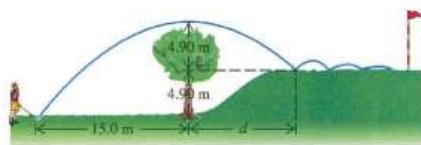
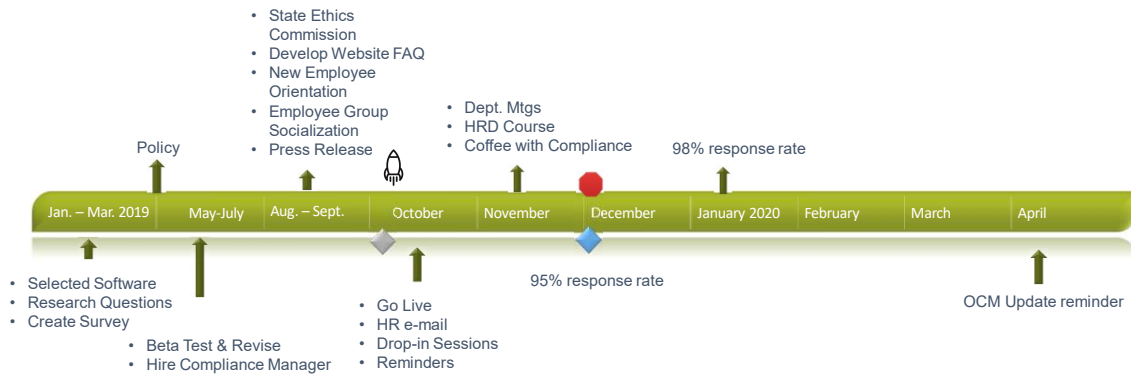


Fig. 3-30

- 1. Talked with peer institutions for advice
  - 2. Developed COI Policy with assistance from General Counsel
  - 3. Heard presentations from vendors for solutions, landed on what we are already using for the research compliance COI requirements
  - 4. Phase in approach beginning with Cabinet
- GOAL – make this simple for employees and provide a way they can disclose COI issues to protect themselves and the university

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## Timeline



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## The 5 Questions We Asked

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## Financial Interest



To your knowledge, do you or any members of your immediate family have a financial interest in, receive any form of compensation from, have a leadership role or serve as a board member for any entity (foreign or domestic) that:

- a) conducts, or may conduct, business with Auburn University, AUM, ACES, or AAES;
- b) is related to your area of professional expertise or your institutional responsibilities; or
- c) is related to your sponsored research, technology commercialization or related activities?

(PLEASE NOTE: This requirement to disclose includes financial interests received from a foreign entity including institutions of higher education or the government of another country in addition to financial interests received from U.S./domestic entities.)

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## Outside Activities

Have you engaged in any outside professional activity during the past 12 months, or do you have plans to do so in the next 12 months, paid or unpaid, for an entity (foreign or domestic) other than Auburn University, AUM, ACES, or AAES?

(PLEASE NOTE: This requirement to disclose includes interests received from or activities involving a foreign entity including institutions of higher education or the government of another country in addition to interests received from or activities involving U.S./domestic entities.)



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## Related Employees

- Do you have any immediate family that you know of working for Auburn University, Auburn University at Montgomery, the Alabama Cooperative Extension System, or the Alabama Agricultural Experiment Station?



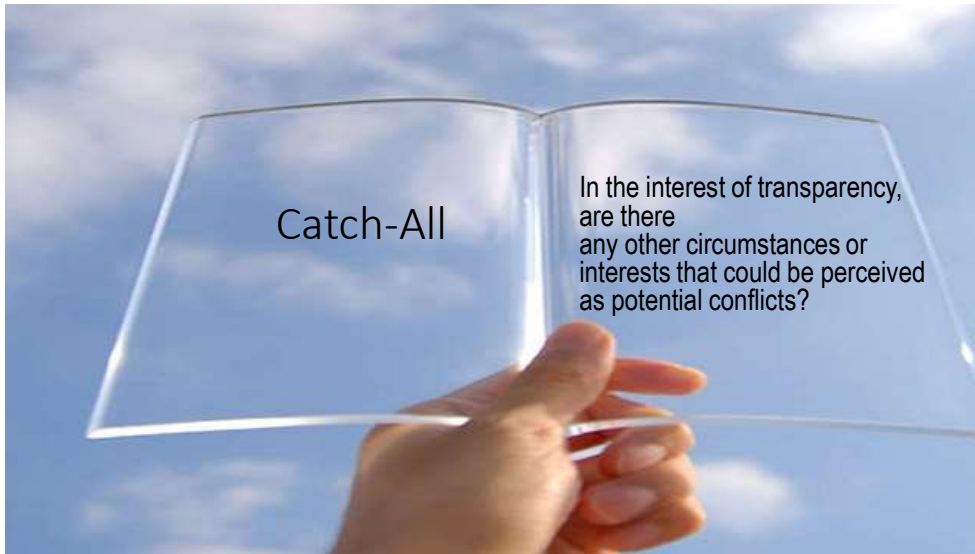
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## Other Interests

- Do you have any other personal relationships (with non-University individuals) that could affect or appear to affect administrative (including contractual) decisions of the University in which you are participating or have authority over, including but not limited to hiring and purchasing decisions?



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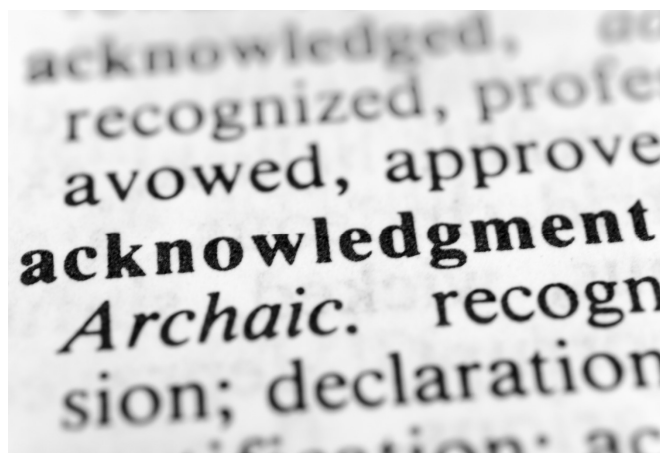
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## Acknowledgement

I have used all reasonable diligence in completing this questionnaire and, to the best of my knowledge, it is true, accurate and complete. It is my responsibility to revise this questionnaire within 30 days after a change in a previously-disclosed financial interest or relationship, or after discovering or acquiring a new financial interest or relationship by logging back and making updates. I will comply with the policies, procedures and associated requirements of Auburn University. If engaged in sponsored research, technology commercialization, or related activities, I will comply with sponsor regulations related to conflicts of interest, including the management, reduction or elimination of conflicts of interest.

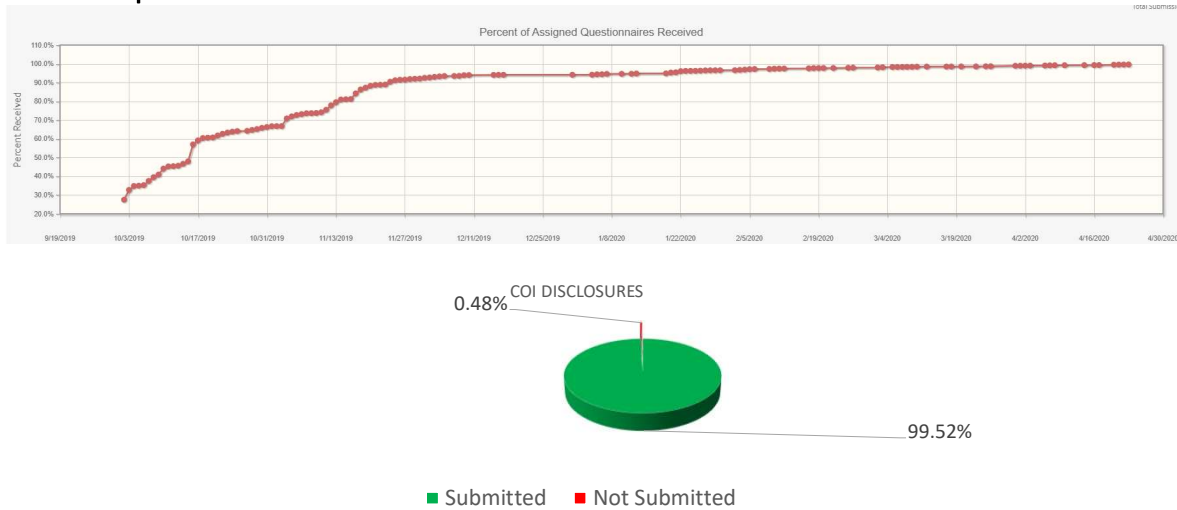


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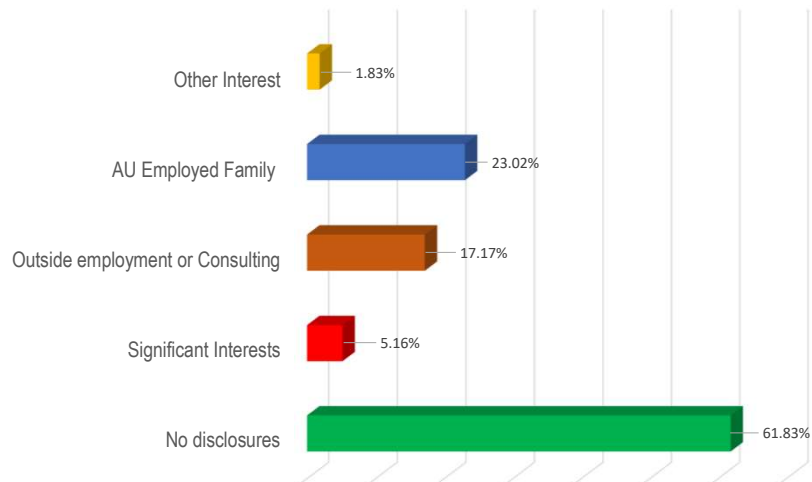
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## Response Rate



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## Disclosures by Category



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## Review Process

- **Initially we conducted focused reviews as follows:**
  - **Research-rich colleges**
  - **Family relationships**
  - **Everything else**
- **Review determination categories:**
  - **More information needed**
  - **Potential nepotism**
  - **Potential research nepotism**
  - **Potential conflict identified – need management plan**
  - **Potential conflict of commitment identified**
  - **Foreign Entity identified**
  - **Management plan proposed**
  - **Awaiting management plan**
  - **Management plan accepted**
  - **Conflict managed**
  - **No Conflict**
- **No Disclosures**



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## Management Plans

Written documents that enhance transparency and create separation between an employee's personal activities and their university work in order to avoid the appearance of impropriety in university decision-making or research.

- **General contents**
  - Recusal from decisions involving conflicted entity
  - Limitations on using subordinates or students in outside activities
  - Use of equipment, materials, time, lab/space, etc.
  - Disclosure of conflicts to collaborators, team members, and the public in writing, scholarly publications and presentations
  - Recusal from decisions involving family members
  - Oversight
- **Templates**
  - General Employee Plan
  - Faculty/Investigators/Researchers
  - Student-Faculty
  - Related researchers working together
  - Outside Board Positions
  - Conflict of Commitment Statement



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## New Question

**Do you currently have, or anticipate having in the next 12 months, any of the following affiliations with foreign institutions of higher education, foreign governments, foreign companies, or foreign nationals? Check all that apply:**

- |  |   |
|--|---|
| <input type="checkbox"/> Research collaborations     | <input type="checkbox"/> Intellectual property  |
| <input type="checkbox"/> Agreements or contracts     | <input type="checkbox"/> Advising or mentoring engagements                                  |
| <input type="checkbox"/> Appointments                | <input type="checkbox"/> Speaking engagements   |
| <input type="checkbox"/> Teaching engagements        | <input type="checkbox"/> Committees or boards   |
| <input type="checkbox"/> Consulting engagements      | <input type="checkbox"/> Laboratories outside the U.S.                                      |
| <input type="checkbox"/> Talent recruitment programs | <input type="checkbox"/> Travel or site visits paid for by a foreign source                 |
| <input type="checkbox"/> Financial interests         | <input type="checkbox"/> Program evaluations paid for by a foreign source                   |
| <input type="checkbox"/> Visiting scholars           | <input type="checkbox"/> Other  |
|  | <input type="checkbox"/> Does not apply/I do not have any foreign professional affiliations |



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### POLL QUESTION #3

How confident are you that your campus COI process results in full disclosure of potential foreign conflicts of interest?

- Extremely confident – We are getting it all!
- I feel good, but it's never going to be perfect
- We could probably do better
- There is inconsistency across campus
- This question makes me deeply uncomfortable



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# LESSONS LEARNED



1. Communication is key
2. Tone at the Top
3. Questions will not be perfect
4. Have an agreed upon penalty for non-responses before going live
5. What to do about no disclosures (when maybe there should be)
6. Additional On Demand training needed
7. Management plan stigma
8. Family



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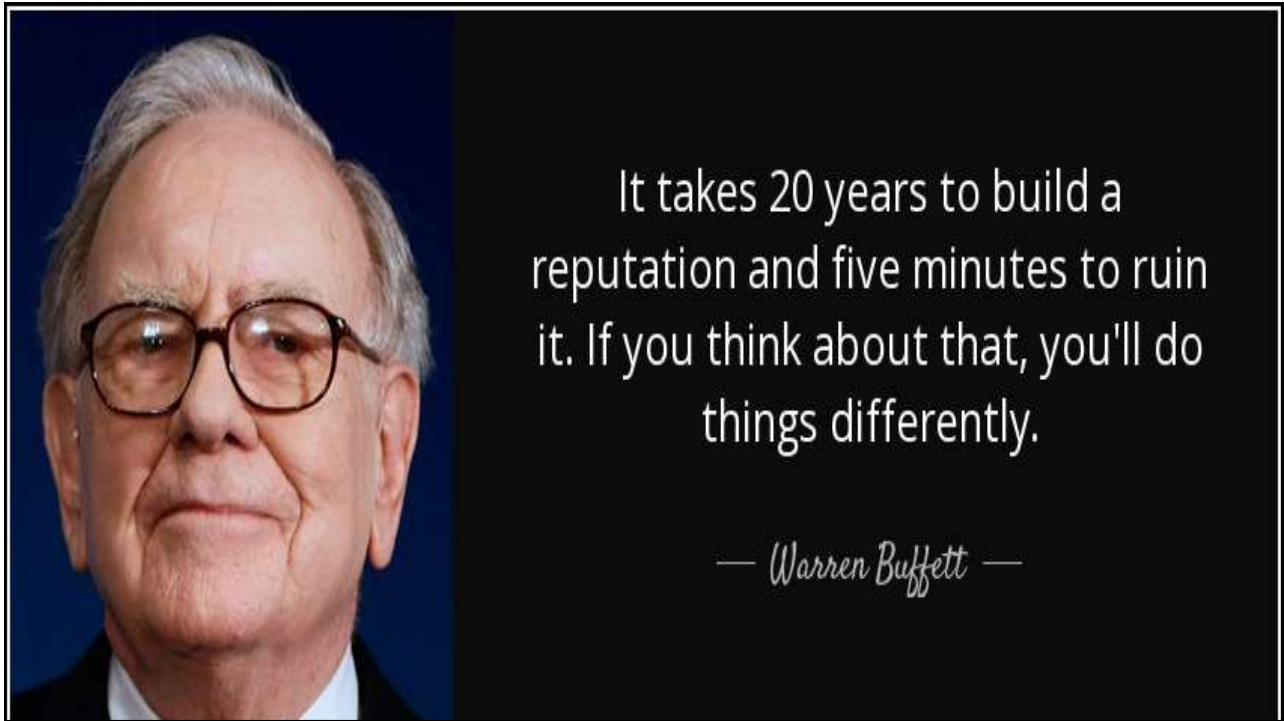
## Outcomes

- Improved visibility for OACP with a clear mandate from leadership across campus
- Identified policy gaps
  - Nepotism
  - Research Nepotism
  - Foreign Agreements
- Improved Relationship with State Ethics/Research Compliance
- Improve the Culture of Compliance – people are calling and asking before they do things



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**Thank you for attending!**  
**(Drive safely on your way home!)**

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