


ADMINISTRATIVE PROCEDURES



Procedure Number: 3-26

Effective Date: 03/15/2004

Revision Date: 07/01/2004


County Administrator

SUBJECT: **COUNTY EMPLOYEES – CONFLICT OF INTEREST**

DEPARTMENT RESPONSIBLE: **The Office of the County Administrator,
All County Departments**

I. Purpose

This Administrative Procedure augments Board of Supervisors Policy C 2.1 (Ethics) and Administrative Procedure 22-10 (Authorized Signatures), and provides explicit guidance to County Departments for compliance with ARS §38-501 *et. seq.* It is designed to preserve and promote the integrity of the workplace through individual departmental procedures.

II. Conflicts of Interest

A. **General Requirements and Objective**

Arizona law requires that any Pima County officer or employee who has, or whose relative has, a substantial interest in any contract, sale, purchase, service or decision of Pima County to make the interest known in the County's official records; and to refrain from any participation in an official capacity in the contract, sale, purchase, service or decision. (ARS § 38-501 *et. seq.*). Employee includes all persons employed on a full-time, part-time and contract basis.

The object of conflict of interest statutes is to remove or limit the possibility of personal influence which might bear upon an official's decision.

B. **Relative**

Relative includes spouse, child, child's child, parents, grandparents, brother or sister of the whole or half blood and their spouses and the parent, brother, sister or child of a spouse. A substantial interest of a relative is considered a substantial interest of the employee.

C. Substantial Interest

A substantial interest is any interest that confers a pecuniary (monetary) or proprietary (ownership) interest, either direct or indirect, which is not a remote interest. Any substantial interest of an employee or an employee's relative must be disclosed by the employee, who must also refrain from participating in any manner in the relevant contract, purchase, or decision.

D. Remote Interest Defined

Remote interests do not need to be disclosed and do not prevent participation in an official capacity because they are not considered significant enough to influence a public decision maker. Remote interests are:

1. employee or employee's relative is a non salaried officer of a nonprofit corporation
2. employee or employee's relative is a landlord or tenant of a contracting party
3. employee or employee's relative is an attorney of a contracting party
4. employee or employee's relative is a member of a nonprofit cooperative marketing association
5. employee or employee's relative owns less than 3 percent of the shares of a for-profit corporation, provided the total annual income from dividends, including the value of stock dividends, from the corporation does not exceed 5 percent of the total family income of the official or employee, and other payments from the corporation to the person do not exceed an additional 5 percent of his/her total family income
6. employee or employee's relative is reimbursed for actual and necessary expenses incurred in the performance of official duties
7. employee or employee's relative is a recipient of public services generally available to the public
8. employee or employee's relative is a public officer or employee of another public agency unless the action of that agency would confer a direct economic benefit or detriment upon the employee or the employee's family
9. employee or employee's relative is a member of a trade, business, occupation or professional association or class of persons consisting of at least ten members whose interest is no greater than the interest of any other members of that or similar groups

E. Responsibilities of Employees

Any employee who has, or whose relative has, a substantial interest in any contract, sale, purchase, service or decision of Pima County shall promptly do two things:

1. pursuant to departmental procedure, make know that interest in the files maintained by the Clerk of the Board and/or the Finance Department; and
2. refrain from voting or participating in the employee's official capacity in any manner in the contract, sale, purchase, service or decision.

After complying with these requirements, an employee or employee's relative with a substantial interest may supply equipment, material, supplies, or services to Pima County, but only pursuant to award or contract let after competitive bidding.

F. Appearance of Impropriety and the Pima County Gift Policy

It is important to recognize that the appearance of a conflict of interest may also damage public trust and confidence in local government and may impair Pima County's ability to conduct its legitimate operations. For this reason, employees are required to scrutinize their actions and to avoid situations where their official acts appear to affect their own or their relatives' private or business interests. All County employees are expressly prohibited from accepting any gift, rebate, money or remuneration of any kind from any person, firm, company or corporation to which any purchase order or contract is or may be awarded. Board of Supervisors Policy, D 29.2, Gifts and Rebates and Administrative Procedure 3-19 County Employees - Gifts.

III. Departmental Responsibility

Each department shall develop and implement a departmental procedure requiring employees to give notice of potential conflicts of interest. The departmental procedure shall delineate the means of giving notice and department-specific criteria or requirements. The attached Notice of a Substantial Interest In A Pima County Contract, Sale, Purchase, Service, or Decision form shall be used. (See Attachment A).

IV. Violations

Violations of ARS §38-501 *et. seq.*, Board Policy C 2.1, this Administrative Procedure, or departmental procedures shall be handled in accordance with the Pima County Merit System Rules and Personnel Policies. Employees who violates ARS §38-501 *et. seq.*, may also be subject to criminal prosecution and forfeiture of employment, as provided by law.

Attachment A



NOTICE OF A SUBSTANTIAL INTEREST IN A PIMA COUNTY CONTRACT, SALE, PURCHASE, SERVICE, OR DECISION

Date _____

Department _____

Employee/Officer _____

Title _____

Pursuant to ARS §38-503, _____, hereinafter Employee/Officer, hereby makes known a substantial interest in a contract, sale, purchase, service or decision of Pima County. The substantial interest is described below.

(Attach additional documentation if necessary.)

Employee/Officer has a pecuniary or propriety interest in a County contract, sale, purchase, service or decision as follows:

Employee/Officer's relative, _____, who is the Employee/Officer's

- | | |
|----------------------------|--|
| _____ child | _____ grandparent |
| _____ child's spouse | _____ spouse of grandparent |
| _____ grandchild | _____ spouse |
| _____ spouse of grandchild | _____ brother-in-law or sister-in-law |
| _____ parent | _____ mother-in-law or father-in-law |
| _____ spouse of parent | _____ brother or sister or half-brother or half-sister |

has a pecuniary or propriety interest in a County contract, sale, purchase, service or decision as follows:

Signed the _____ day of _____ 200_

Received by:

Employee/Officer

Name and Title

Signature

Date

Date: July 1, 2004

Attachment A Instructions



C. H. Huckelberry
County Administrator

**INSTRUCTIONS FOR NOTICE OF A SUBSTANTIAL INTEREST IN A PIMA COUNTY
CONTRACT, SALE, PURCHASE, SERVICE, OR DECISION FORM**

Employees interested in filing a notice of a substantial interest in a contract, sale, purchase, service or decision of Pima County should be asked the following three questions:

- (1) Will the decision have an impact, either positive or negative, on an interest of the County employee or relative?
- (2) Is the interest pecuniary (monetary) or proprietary (ownership)? Philosophical or political interests or beliefs, even though affected by a decision do not bring the conflict of interest in to play.
- (3) Is the interest **other than one** statutorily defined as a remote interest?

Statutory remote interests are:

- ▶ Non-salaried officer of a nonprofit corporation
- ▶ Landlord or tenant of a contracting party
- ▶ Attorney of a contracting party
- ▶ Member of a nonprofit cooperative marketing association
- ▶ Insignificant stock ownership
- ▶ Reimbursement of expenses incurred on duty
- ▶ Recipient of public services available to all
- ▶ Employee or relative of another public agency unless there is a direct benefit on the employee or relative
- ▶ Class interest where there are more than 10 members of the class and all members have equal interest

Refer to Administrative Procedure 3-26 for a more complete description of these remote interests.

If the answer to all three questions is yes then the employee must complete the Notice of a Substantial Interest Form.

The form is to be filed in the departmental conflict of interest file and maintained as a public record.

Date: July 1, 2004