

Conflict of Interest

Board members are community leaders. Many of them are active in their communities in various capacities, including boards and committees. Being an active leader in multiple roles can create both actual and apparent conflict of interests. These can, and regularly occur through membership, employment, family or business connections. It is important that each board member recognize their conflict of interest, actual or apparent.

Two common scenarios are:

- A member of a service provider is also a voting member of an RWIB. The next RWIB meeting has on its agenda 5 training providers wanting to be on the certified training provider list to be discussed. Three of those training providers offer programs of the service provider. This is an actual conflict. This voting member of the RWIB must disclose the conflict and abstain from any discussion and vote on these training providers.
- A community agency responds to an RWIB competitive process. One of the RWIB members is connected to the agency through employment or board involvement, but not within the scope of the service being offered. If this is not an actual conflict, it certainly is an apparent conflict in which an agency that the RWIB member is affiliated can benefit from the influence of this individual. The RWIB member should disclose the conflict and abstain from any discussion and vote. If the conflict is not disclosed, any decision that the RWIB makes can be perceived by the community to have been misleading, raising how open and fair the process really was.
- Department of Labor July 20, 2012 Monitoring report finding: (Actual scenario from the July 20, 2012 Monitoring Report; finding stated “*The entity did not take any actions to separate functions, roles, or responsibilities of key staff involved in the management, award, and administration of all ETA funds; nor did it create and implement any internal controls to mitigate the ‘real and apparent’ conflicts.*”

WIOA Conflict of Interest

107(h) Conflict of Interest - A member of a local board, or a member of a standing committee, may not

- (1) vote on a matter under consideration by the local board—
 - (A) regarding the provision of services by such member (or by an entity that such member represents); or
 - (B) that would provide direct financial benefit to such member or the immediate family of such member; or
- (2) engage in any other activity determined by the Governor to constitute a conflict of interest as specified in the State plan.

Other Applicable Federal laws:

20 CFR 652 – Workforce Investment Act.

20 CFR 661.207, 307 – “Sunshine Provisions” Regulations. State or local WIB must conduct its business in an open manner and make activities for the board available to the public, including the development of specific policies and the minutes of formal board meeting upon request.

29 CFR 97 – Uniform Administrative Requirements for Procurement. The Uniform Administrative Requirements are government-wide standards around procurement that all Federal grantees must follow, including standards for conflict of interest. These requirements describe specific instances which would constitute a conflict of interest.

20 CFR 667.200(a)(4) – Conflict of Interest Regulation for WIA Title 1 Funds. A state WIB member or a local WIB member must neither cast a vote, nor participate in decision-making, on the provision of services by that member or any organization which that member directly presents. The WIB member also must not cast a vote, nor participate in decision-making, on any matter which would provide any direct financial benefit to that member or a member of his or her immediate family.

20 CFR 662 – Description of the One-Stop System.

20 CFR 663 – Adult and Dislocated Worker Activities.

Training and Employment Guidance Letter No. 35-10 (June 16, 2011)

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