

Approved by Board of Commissioners: December 15, 1993
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POLICY FOR PHA COMMISSIONERS ON CONFLICTS OF INTEREST

I. POLICY STATEMENT

The Board of Commissioners expects its members to uphold the Commissioners oath of office and to maintain the highest standards of ethical conduct in order to ensure the public's confidence and respect. The avoidance of Commissioner conflicts of interest, apparent or real, through the use of informed judgment and timely disclosures, is necessary in order to maintain this confidence and respect.

II. CONFLICTS OF INTEREST: REPORTING

PHA Commissioners shall avoid any conduct or activity which might result in or create the appearance of a conflict of interest, including but not limited to:

- A. Improperly using public office for private gain.
- B. Improperly giving preferential treatment to any organization or person.
- C. Compromising the independence or integrity of the Agency or any employee.
- D. Impairing the PHA's efficiency or economy.
- E. Adversely affecting the confidence of PHA residents, employees, or the public in the integrity of the PHA.

III. PHA CONTRACTS

When the PHA contracts with individuals or firms, PHA Commissioners shall avoid the appearance of conflicts of interest such as those listed above. In some cases, the appearance of a conflict of interest may prevent the PHA from contracting with a particular individual or firm. This might occur if a PHA Commissioner has a direct financial interest in the other business.

The following factors should be considered:

- A. The extent of the Commissioner's involvement in the business. Is the Commissioner a part or sole owner, part-time employee? Does the Commissioner have a stake in the business personally, or through an immediate family member? If the Commissioner is directly involved in the business or is closely related to a person who has a significant financial interest in the business, the appearance of a conflict of interest is greater and the facts must be disclosed.

- B. The size of contract and the contract award process including but not limited to the following:
 - Informal bid
 - Purchase order
 - Formal bid and award
 - Emergency award
 - Subcontracts
 - Consulting contracts (design, testing, services, etc.)

The more formal the bidding and award process, the less likely it is that a Commissioner's interest in an outside firm could influence the award process. Nevertheless, if a PHA Commissioner has a close personal or family relationship with an individual who has a significant financial stake in the business, a conflict of interest could be found. Such situations shall be disclosed, and avoided, to the extent reasonably possible.

- C. If a PHA Commissioner transacts non-PHA business with an individual or firm which also contracts with the PHA, or which bids on PHA work, an appearance of a conflict may arise. The potential conflict is that the Commissioner, the contractor, or third parties may believe that the Commissioner can or will exert improper influence over the PHA contracting process to gain some personal advantage in the non-PHA contract. The factors listed above should be considered to determine whether it is proper for the Commissioner to conduct non-PHA business with the contractor, and whether disclosure is required. If the contractor is aware of the Commissioner's relationship with the PHA, the Commissioner shall explain to the contractor that no preferential treatment is expected or permitted.

IV. DISCLOSURES

- A. To protect the PHA and its Commissioners, Commissioners shall disclose any potential conflicts of interest at least annually, or when necessary as changes occur which require reporting, and at the time when a potential conflict arises or may arise. Both the Commissioner's own business relationships which create the conflict and those of immediate family members (at least spouse, parent, minor or adult child, sibling) shall be disclosed. The Commissioner shall explain all relevant facts in writing.
 - 1. Within 48 hours of a Commissioner's discovery of a conflict of interest, the Commissioner shall prepare a written statement describing the conflict of interest.

2. The Commissioner shall deliver a copy to the PHA Executive Director and the Chairperson of the PHA Board. (If the Chairperson has a conflict of interest, she/he shall deliver the statement to the Vice Chairperson.)
 3. If a conflict of interest presents itself and there is insufficient time to deliver a written statement as required herein, the Commissioner shall verbally advise the Board, the Chairperson, or the Executive Director of the potential conflict. A written statement shall then be delivered to the Executive Director and the Chairperson within one week after the conflict of interest presents itself.
 4. The completed disclosure forms and statements shall be retained in the Executive Secretary's Board of Commissioners file.
- B. The Commissioner who has a conflict of interest as defined in Paragraph A. of this section shall refrain from voting on or otherwise participating in the action or decision with which there is a conflict of interest. A Commissioner is specifically exempted from the prohibitions of this paragraph when the action to be taken or the decision to be rendered is one which is solely advisory.

V. GIFTS, GRATUITIES, AND OTHER FINANCIAL TRANSACTIONS

- A. No PHA Commissioner shall, by reason of his or her appointment to the PHA Board, whether on behalf of the Commissioner or a relative of the Commissioner, solicit or receive any gift, gratuity, or any other item with a monetary value from any person or entity, including a business which contracts with the PHA. Commissioners are covered by the prohibition in State law against receiving anything of value from any person or entity with a direct financial interest in any decision the employee may make. Minnesota Statutes Section 471.895 (1994 Laws, Chapter 377).
- B. PHA staff or commissioners whose positions allow or require air travel at Agency expense are not permitted to benefit personally from travel credits (such as "frequent flyer miles") which may be awarded or available based on that travel. When traveling by air, employees or commissioners must request that such travel credits not be issued. If the credits are issued, the employee or commissioner must request that they be canceled. If the credits cannot be canceled, they may only be used to reduce the cost of future travel on Agency business. This provision applies to air travel after March 19, 1997.

VI. PHA RESIDENT COMMISSIONERS

A Commissioner who is a resident of Public Housing or who benefits from any housing subsidy administered by the PHA shall not be deemed to have a conflict of interest in matters of resident rents, charges, or policies unless the Commissioner would be affected more than other residents by the matter under consideration.

VII. VIOLATIONS

Because of the importance to the PHA of upholding the public trust by avoiding conflicts of interest, a Commissioner who violates this policy by failing to fully disclose a situation which presents a significant conflict of interest shall be subject to censure or other action by the Board. In consultation with legal counsel and the Executive Director, the Chairperson or Vice Chairperson or other Commissioners shall recommend to the full Board appropriate action. Such action might include a recommendation to the Mayor for removal from office.

A Commissioner who believes that another Commissioner has not adequately disclosed a significant conflict of interest, should report the matter to the PHA Board Chairperson, Vice Chairperson, or Executive Director, who may then consult with legal counsel to determine an appropriate course of action.

VIII. ADMINISTRATION OF POLICY

The Executive Director shall issue appropriate forms and procedures to implement this policy.