

University of Minnesota Conflicts of Interest Policy

The University's relationship with the public and private sectors is an important part of its mission, and such relationships are encouraged. It is recognized, however, that such relationships can lead to a variety of conflicts of interest (perceived, potential, or real) that may result in personal financial compensation or other personal gain. Faculty and University risks can be large when potential conflicts are not appropriately handled.

The University also recognizes that it has an obligation to guarantee faculty members a free climate in which to carry out their research and scholarly activities. It recognizes that licensing of technology, consulting, starting new businesses, and other forms of technology transfer are necessary to serve the needs of society, as well as to enhance the research and educational experience of students and faculty.

Public awareness of conflict situations and involvement in their investigation have greatly increased in recent years. It therefore behooves the University and its faculty to be exceptionally careful in making arrangements with external agencies and commercial interests, not only to deal with potential conflicts of interests, but also with the perception of those conflicts.

The Conflict of Interest Policy has been developed to ensure that potential conflicts are disclosed by faculty members, reviewed by the relevant administrators and committees, as necessary, and a satisfactory resolution reached. The policy applies to all employees of the University when they are responsible for, or in a position to influence:

- The design, conduct, or reporting of research or other scholarly activity; or
- Teaching or advising; or
- Performing outreach or other public service activities.

It also applies to specified combinations of activities and financial or business interests, as well as to those employees who have direct or indirect influence over purchasing decisions or contracts.

About Conflicts of Interests:

Although the legal definition varies from state to state, conflict of interest basically involves any situation in which an individual exploits his or her position for personal or financial gain. This is probably the most important type of conflict because of its visibility and the potential for damage to the reputation of the University and all concerned. The University's Conflict of Interest Policy defines conflict of interest explicitly as follows:

"A conflict of interest occurs when Academic Employee compromises his/her professional judgment in carrying out University teaching, research, outreach, or public service activities because of an external relationship that directly or indirectly affects the Financial Interest of the Academic Employee, and Family Member, or any Associated Entity."

An obvious example would be the ownership of-or a major interest in-a private firm by a faculty member who also has the decision-making responsibility in awarding a contract to that firm. Sponsorship of research by commercial firms in which the faculty member has a significant interest is another obvious example. However, many potential conflicts of

interest can be more complex and not so clearly discernible.

There are many areas in which a potential conflict of interest may arise. These include the following.

Scientific conflict of interest: This type of conflict involves participation in review panels or other groups that make decisions regarding the allocation of resources or the publication of papers or someone who offers scientific testimony as an expert witness. Possible conflicts in review panels or refereeing are usually handled by excusing the person with the potential conflict. The situation with expert testimony is not so clear, but the individual's background and connections should be revealed before the testimony.

Academic conflict of interest: This involves utilization of the name and/or the resources of the University for personal gain.

Conflict of commitment or effort: Non-University activities that require considerable time and effort could lead to a significant decrease in the time and effort devoted to the employer, the University. The University has a Policy on Outside Consulting, Service Activities, and Other Work that basically allows the equivalent of one day per week for outside consulting or other professional activities. The policy requires approval in advance for activities that demand more than one day per month (on average) and reporting of all activities in which more than three days per term are spent.

Conflict of conscience: Such a conflict can arise when an individual's personal convictions (e.g., religious, ethical, or moral) are so strong that they influence the decision being made. There are no widely accepted procedures for dealing with conflicts of this type.

Nepotism: In the past, the employment of two related individuals (e.g., a married couple) in the same department was not allowed by anti-nepotism rules. Now, the matter is handled by a rule that simply states such individuals cannot participate in any decisions affecting the other person.

Disclosure and approval of financial or business interests is required when:

- An employee and immediate family members:
 - have an equity interest in a business representing ownership of five percent or more or a value of \$10,000 or more; or
 - have an income from a business of \$10,000 or more; or
 - expect royalties of \$10,000 or more; or
 - have a business interest
- Submitting a proposal for sponsored research
- A gift valued at more than \$100 is received
- Involved with review or advisory activities

- Involved with technology transfer
- Reporting research results
- Presenting facts or opinions before any public body, commission, or group

Managing Potential Conflicts

Exclusion from decision-making process: In cases in which a faculty member has a significant financial interest in a company that is doing business with the University and is in a position to influence a decision involving a company's contract with the University, the faculty member must excuse him or herself from the decision-making process.

Monitoring of research: Research being done for a commercial company or sponsoring agent could be monitored by an independent body to ensure that undue influence is not being exerted on the results.

Modification of research plan: The proposed research may have to be carried out in such a way so as to avoid conflict, bias, or undue influence.

Divestiture of financial interests: In some cases, the only way to remove a conflict of interest is to divest oneself of one's financial interest in a company.

Non-participation: Disqualification from participating in a research program affected by financial interests may often be the simplest means to avoid a conflict.

Severance of relationships: Resignation from management positions or government boards that create actual or potential conflicts may be necessary to remove the conflict.

Case Studies:

For your group's case:

- Identify and discuss the conflicts (real, potential, or perceived);
- Clarify the issues and how they relate to policy;
- Develop possible remedies;
- Determine if disclosure is required;
- Ascertain the category in which the potential conflict falls; and
- Determine the best and worst ways of dealing with the potential conflict.

Case No. 1: University Agribusiness Links

As recently reported in the Minneapolis Star Tribune, the Environmental Quality Board is planning to conduct a two-year environmental study of livestock operations (feedlots, in particular). The Board carries out its studies by hiring researchers to conduct various portions of the work. A citizen's advisory group has been meeting for more than a year to develop guidelines for the study and has identified 12 topics of concern related to the social, economic, environmental, and health effects of large-scale livestock production.

One of the participating groups, Clean Water Alliance of Minnesota, has resigned from the study's advisory group claiming that the study's conclusions would be predictably in favor of expanded livestock operations because it will be done by University of Minnesota researchers who have received hundreds of thousands of dollars from agribusiness interests, such as the Minnesota Pork Producers, the National Pork Council, and the Farm Bureau. Clean Water Alliance's perception is that the study would not seriously consider the legitimate concerns of citizens living near the feedlots because of the strong agribusiness connection of the researchers.

Case No. 2: Industry Sponsored Research

A drug company sponsored a major study of the side effects of a certain medication designed originally to relieve mild depression. The results indicated no significant side effects except in a very small fraction of the study population which experienced minor inconveniences such as headaches and occasional dizzy spells.

The study results were published in a reputable journal and given wide coverage by the press. The medication was given a seal of approval, backed by this study which was conducted by a prestigious researcher at an equally prestigious university. Sales of the medication increased dramatically, and company profits reached an all-time high.

The researcher neglected to indicate in the published article or elsewhere, however, that the study had been sponsored by the company that benefited so greatly from its favorable findings.

Case No. 3: Public Testimony

A university professor testified at an environmental impact hearing that the proposed construction of a chemical production facility will have no negative impact on the surrounding community even though the plant will be dealing with highly toxic materials, some of which are in gaseous form. The company claimed that the dangers to the community are very slight because of the safety measures they propose to take, and they quoted the results of a detailed engineering analysis carried out by the professor's graduate students.

The research had been originally supported by a grant from a federal agency, but when that expired, funding was provided by the company. At no time during the testimony, however, did the professor or the company reveal that the research had been supported financially by the company.

Case No. 4: Faculty Member's Business Interests

A faculty member has obtained an exclusive license from the University to market a complex software program to computer manufacturers and users that would enable them to perform certain large-scale operations much more efficiently. The faculty member has set up a small company to manufacture and sell this software, which was developed with University resources, as well as some external support in the form of computer

hardware donated or loaned to the research group. He has assigned a research project to a graduate student in his research group that is clearly designed to enhance the performance and marketability of this software. He has not made any disclosure about his role in his company because he does not see any conflict.