



INDIANA  
**WORKFORCE**  
DEVELOPMENT  
AND ITS **WorkOne** CENTERS

**TO:** Indiana's Workforce Investment System

**FROM:** Teresa L. Voors *AN*  
Commissioner, Indiana Department of Workforce Development

**THROUGH:** Dustin Stohler *DDS*  
General Counsel

**DATE:** August 10, 2009

**SUBJECT:** DWD Policy 2009-05  
Financial Interest and Conflict of Interest in DWD Transaction Decisions

**Purpose**

To explain that under Indiana law, State officers, employees or special state appointees engaged in Indiana Department of Workforce Development (DWD) decisions for purchase, sale, lease, contract, option, or other transaction between the Indiana Department of Workforce Development (DWD) and any person or vendor ("Transaction") shall have no financial interest or conflict of interest in those transactions and to explain the expected requirements for such transactions. To explain the role of the Department of Workforce Development's Ethics Officer when a potential conflict of interest is identified.

**Rescission**

None

**Contents**

In accordance with Indiana law, a State officer, employee, or special state appointee<sup>1</sup> may not knowingly have a financial interest in a contract made by an agency.

The term "financial interest" is defined in Indiana Code 4-2-6-1(10) to mean "an interest (A) in a purchase, sale, lease, contract, option, or other transaction between an agency and any person; or (B) involving property or services. The term includes an interest arising from employment or prospective employment for which negotiations have begun."

<sup>1</sup> Special state appointees are individuals elected or appointed to an authority, a board, a commission, a committee, a council, a task force, or other body that is authorized by statute or executive order. They function in a policy or an advisory role in the executive department of state government. Indiana Code 4-2-6-1(a)(16)

Further, "A state officer, an employee, or a special state appointee may not participate in any decision or vote if the state officer, employee, or special state appointee has knowledge that any of the following has a financial interest in the outcome of the matter: (1) The state officer, employee, or special state appointee; (2) A member of the immediate family of the state officer, employee, or special state appointee; (3) A business organization in which the state officer, employee, or special state appointee is serving as an officer, a director, a trustee, a partner, or an employee; (4) Any person or organization with whom the state officer, employee, or special state appointee is negotiating or has an arrangement concerning prospective employment.  
Indiana Code 4-2-6-9

Any employee who will participate in a decision or vote to make a purchase, sale, lease, contract, option, or other transaction between the Indiana Department of Workforce Development (DWD) and any person or vendor ("Transaction") should seek an opinion from DWD's Legal department if he or she believes there might be a conflict of interest.

To comply with this requirement and avoid potential conflicts of interest between the duties of DWD employees to the State of Indiana and their personal financial interests, DWD will adhere to the following policy and procedures regarding conflict of interest:

1. In each transaction in which DWD engages that has a cost of more than ten thousand dollars (\$10,000), the Deputy Commissioner responsible for the transaction will provide the DWD Procurement Manager with a checklist to identify the individual(s) who:
  - a. decided to procure the product or service;
  - b. will prepare the Request for Proposal (RFP) or other evaluative documents;
  - c. will review and evaluate the responses to the RFP or decide which vendor will be selected;
  - d. will manage and evaluate the performance of the vendor; and
  - e. will supervise each of the parties identified above.
2. Each of the persons named above will complete a **Financial Disclosure Statement** (SF40876) ("Statement") and affirm that they have no financial interest in the selected vendor before the contract is signed or any payments are made to the vendor.
3. On an **annual** basis, the DWD Procurement Manager will:
  - a. identify anyone responsible for managing and evaluating the performance of any vendor that contracts with DWD and all individuals who supervise such persons;
  - b. require all persons so identified to prepare a Statement and affirm they have no financial interest in the vendors they manage or evaluate by April 1 each year;
  - c. ensure that no additional payments are made on any contract if the individuals responsible for the contract have not provided the Statement and affirmation by May 1.
4. The DWD Monitoring Unit will monitor compliance with all of the required reporting between June 1 and September 1 each year.
5. If a conflict of economic interest is identified, the person shall notify the DWD Ethics Officer, who will provide an opinion on whether a conflict exists and seek an advisory opinion from the State Ethics Commission, if appropriate.

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**Review Date**  
September 1, 2011

**Ownership**  
DWD Legal  
Indiana Department of Workforce Development  
10 North Senate Avenue, Room SE 117  
Indianapolis, Indiana 46204  
Telephone: 317.232.0198

**Effective Date**  
Immediately

**Action**  
All Indiana Department of Workforce Development officers, employees, and special state employees shall follow the guidance contained in this policy.