What is a Conflict of Interest?

A conflict of interest exists when you owe a professional obligation to The University of Texas Health Science Center at Houston (“university”) that is or might be compromised by the pursuit of outside interests. Outside interests, such as professional activities, personal financial interests, or the acceptance of gifts from third parties, can create conflicts between the university’s interests and your private interests and may prevent you from making decisions that are in the best interest of the university. Even if those outside interests do not actually impair your ability to act in the best interest of the university, it may appear to the public that your independence of judgment has been affected. The purpose of these guidelines is to provide a summary of conflict of interest laws, rules, and policies, all of which are intended to preserve the public trust in our integrity by preventing bias or the appearance of bias in our decision-making.

Other Information on Ethical Behavior:

These guidelines address only conflicts of interest. Other ethical issues may arise, such as issues related to the use of government resources, sexual harassment, political activities, legislative lobbying and the use of confidential information. Those issues are fully discussed in the Standards of Conduct Guide. Additional information may be found on the Office of Institutional Compliance website and on the UT System website www.utsystem.edu/ogc/ethics/.

Gifts:

There are two standards under Texas law governing gifts – (1) a general standard of conduct that applies to all employees and (2) a criminal standard that applies only to those persons who make recommendations or decisions about contracts and other financial transactions.

Under the general standard, you should not accept or solicit any gift, favor or service that might reasonably tend to influence you in the discharge of official duties or that you know or should know is being offered with the intent to influence official conduct. This standard applies even though the donor is not asking you to do something in exchange for the gift. A gift is anything of value, including tickets to entertainment or sporting events, expenses for a trip, and food. Acceptance or solicitation of a gift in violation of this standard is not a criminal offense, but is grounds for discipline, including termination.

Under the criminal standard, criminal penalties may apply to persons who make recommendations or decisions about the university’s financial transactions. If those are your job duties, you may not accept a gift from an individual or entity that is interested in or likely to become interested in that transaction, with limited exceptions. Under those exceptions, it is not a criminal offense to accept the following type of gift if the gift is not given in exchange for your official action (it is never lawful to accept a gift in exchange for official action):
• Non-cash items worth less than $50.
• A gift from a person such as a relative, friend or business associate with whom you have a relationship independent of your official status, if the gift is given on account of that relationship rather than your official status.
• Food, lodging, transportation or entertainment in any amount if you accept them as a “guest,” which means the donor must be present.¹

Note that even though you may accept a gift described above without committing a crime, acceptance of the gift may still violate the general standard of conduct and constitute grounds for discipline.

Additional restrictions apply if the gift is from a student loan lender. The definition of “student loan lender” is very broad and covers entities that may not traditionally be thought of as student loan lenders. You should consult with the Office of Institutional Compliance to determine if the proposed gift from the student loan lender is permissible under UT System Policy 171 - Student Financial Aid Code of Conduct.

It is important to remember that even though the acceptance of a gift may not constitute a crime, it may appear to the public that a gift has influenced you in performing your job. You should not accept any gift that could appear to influence your official conduct, even if the gift is technically legal.

Summary: Do not accept any gift that could appear to influence your official conduct.

Honoraria:

You may not accept an honorarium for services you would not have been asked to provide but for your official status. For example, you may not accept a gift or payment for giving a speech if you would not have been asked to provide the speech but for your official position. However, you may accept meals, transportation and lodging in connection with your services as long as the services are more than merely perfunctory or superficial.

Participants in the Medical or Dental Service Research and Development Plan:

Faculty participants in The University of Texas Medical School at Houston Medical Service Research and Development Plan (MSRDP) or The University of Texas School of Dentistry at Houston Dental Service Research and Development Plan (DSRDP) must abide by the assignment provisions regarding professional income found in the MSRDP and DSRDP Bylaws in addition to the provisions of this policy.

Professional income, as defined by the MSRDP and DSRDP Bylaws, must be assigned to the Institutional Trust Fund. For further information and guidance on participating in compensated activities and the retention of payment for such activities, MSRDP and DSRDP participants should direct questions to the respective dean of the Medical School or School of Dentistry, MSRDP or DSRDP administration.

Summary: Do not accept an honorarium for services you would not have been asked to provide but for your official position.
Personal Investments:
You should not make personal investments that could reasonably be expected to create a substantial conflict between your private interest and the public interest. This means that you should not have a substantial direct or indirect financial interest in a business that conflicts with the university’s interests or that might influence how you do your job. Some financial interests may be so indirect or so minimal that they do not create conflicts of interest, such as ownership of a minimal amount of stock in a company or an investment in a publicly traded mutual fund in which you do not exercise discretion regarding the investment of the assets of the fund. If you are not sure whether a particular investment creates a conflict of interest, you should ask your supervisor or consult with the Office of Institutional Compliance.

If you do have an interest in a business that you think might constitute a conflict of interest, disclose that interest in accordance with HOOP 20. In some cases, you may be able to cure the conflict by not participating in any decision concerning that business. However, if the conflict is significant, you may be required to divest yourself of the interest that causes the conflict.

Summary: Do not make personal investments that create a substantial conflict between your private interest and the public interest.

Self-dealing/Transactions with Employees:
You may not transact any business in an official capacity with any business entity of which you are an officer, agent, or member, or in which you own a substantial interest.

Additionally, before the university may purchase any supplies, materials, services, equipment, or property from you, the Senior Executive Vice-President, Chief Operating and Financial Officer must approve the purchase, and the purchase may be made only if the cost is less than from any other known source. Refer to HOOP Policy 126 Purchases from and Sales to Employees.

Summary: Do not transact public business with your private business. The Senior Executive Vice-President, Chief Operating and Financial Officer must approve any purchases from you, and the purchase may be made only if the cost is less than from any other known source.

Benefits for Performing Official Duties:
You should not intentionally or knowingly solicit, accept or agree to accept any benefit for having exercised your official powers or for having performed your official duties in favor of another. If the benefit was given in exchange for an official act, it could constitute the criminal offense of bribery.

Summary: Do not accept a benefit for having done your job in favor of another.

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1The law provides additional prohibitions if the donor is a lobbyist registered with the Texas Ethics Commission. It is advisable to consult the Office of Institutional Compliance before accepting a gift from a lobbyist.