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**CALIFORNIA INSTITUTE FOR REGENERATIVE MEDICINE**

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**TO:** Members of the ICOC  
**FROM:** C. Scott Tocher, Interim Counsel  
**SUBJECT:** AGENDA ITEM 16 “Amendment of Conflict of Interest Policy for ICOC Members.”  
**DATE:** October 3, 2006

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As the result of a review of the Conflict of Interest Policy for members of the Independent Citizens Oversight Committee, we have concluded that one provision of the policy could be construed to allow an ICOC member to participate in a decision of the Board that is on the consent calendar even if the member has conflict of interest, in contravention of state law. Because it was not the intent of the ICOC to adopt a provision that would conflict with the rules governing conflicts of interest established by the Political Reform Act and which are applicable to ICOC members, staff proposes that Paragraph 5 be amended as indicated in the attached draft to delete the problematic language. By doing so the ICOC will ensure that its policies reflect its intent to conform to the standards established by the Political Reform Act.

**CONFLICT OF INTEREST POLICY FOR MEMBERS OF  
THE INDEPENDENT CITIZENS' OVERSIGHT COMMITTEE**

In order to ensure that members of the Independent Citizens' Oversight Committee ("ICOC") act pursuant to the highest ethical standards and to avoid potential conflicts of interest, the ICOC hereby adopts the following Conflict of Interest Policy for members, including alternates, of the ICOC:

1. Members of the ICOC shall not apply for or receive salary support through grants, loans or contracts from the ICOC, nor shall they act as a Principal Investigator.<sup>1</sup>
2. Members of the ICOC shall not make, participate in making, or in any way attempt to use their official position to influence a decision regarding a grant, loan, or contract with their employer.
3. Members of the ICOC shall not make, participate in making or in any way attempt to use their official position to influence a decision regarding a grant, loan, or contract that financially benefits the member or the entity he or she represents.
4. Members of the ICOC shall not make, participate in making or in any way attempt to use their official position to influence a decision if it is reasonably foreseeable that the decision will have a material financial effect, distinguishable from its effect on the public generally, on the member or his or her immediate family, or on one of the member's financial interests as defined in the Political Reform Act.
5. When a member of the ICOC is precluded from participating in a decision because he or she has a conflict of interest, the member shall recuse himself or herself from discussing and voting on the matter.
6. Members of the ICOC shall not receive or accept any gift from any person or entity who is doing business with, or seeking to do business with, the California Institute for Regenerative Medicine ("CIRM") under circumstances from which it reasonably could be substantiated that the gift was intended to influence the member's future official actions or to reward the member for past ones.
7. Members of the ICOC shall not receive or accept, directly or indirectly, any gift, including money, or any service, gratuity, favor, entertainment, hospitality, loan, or any other thing of value from a lobbyist who is registered to lobby the ICOC or CIRM.

<sup>1</sup> Senior Academic officers (including, but not limited to, chancellors, presidents of institutions, deans, chairs of departments, executive officers of research institutions, and other similar positions), who, as part of their responsibilities, oversee and advise researchers in their institution or who sign off on grants, loans or contracts shall not be

deemed to have a conflict of interest under this provision. Recusal, however, is required in this situation, under Proposition 71 and points 2, 3, 4 and 5.

8. Nothing in this Statement is intended to modify the express authorization in Health and Safety Code section 125290.30(g) (1) (B), which provides: “A member of the ICOC may participate in a decision to approve or award a grant, loan or contract to an entity for the purpose of research involving a disease from which a member of his or her immediate family suffers or in which the member has an interest as a representative of a disease advocacy organization.”