



MEMORANDUM

TO: Members of the Governance Subcommittee of the ICOC

FROM: C. Scott Tocher, Counsel to the Chair

RE: Amendments to CIRM's Conflict of Interest Code

DATE: April 19, 2012

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As required by the Political Reform Act of new state agencies, the ICOC in 2005 adopted a Conflict of Interest Code for members of the ICOC and CIRM staff. The code describes the types of interests that members of the board and CIRM employees must disclose on their annual statements of economic interests (Form 700), and is the primary vehicle by which members and employees identify potential conflicts of interest.

The Political Reform Act also requires every state agency to review its conflict of interest code biennially to examine and amend the code to accurately reflect the current organization of the agency and determine the appropriate level of disclosure of financial interests in light of the duties and responsibilities of the employees and members of the Board.

In accordance with the process established by the FPPC for assisting agencies conduct this examination, counsel met with FPPC staff and has reviewed proposed amendments of CIRM's code that reflect CIRM's current employment profiles and the FPPC's policy of reviewing codes to ensure disclosure levels are carefully tailored to avoid unnecessary and burdensome levels of disclosure. To that end, the FPPC has proposed CIRM eliminate the first level of disclosure (Disclosure Level 1) and recalibrate the levels accordingly for CIRM staff and board members.

To that end, attached is a draft of the revised code that CIRM will send to the Fair Political Practices Commission for review (the Commission is CIRM's code reviewing body). Because CIRM's code is actually embodied in a regulation adopted by the ICOC, the amendment must be noticed with the Office of Administrative Law, as well. The attached draft reflects the changes in personnel and organization since the last code was adopted by the ICOC and anticipates new positions that may be filled in the future.

Recommendation: Recommend that the ICOC approve amendments to CIRM's Conflict of Interest Code and permit staff to initiate the formal legal process for accomplishing the amendments.

Conflict of Interest Code of The California Institute for Regenerative Medicine

The terms of 2 Cal. Code of Regs. Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission except as set forth in chapter 3, article 1, subdivision (g), of Proposition 71, which was approved by the voters on November 2, 2004, along with the attached Appendix in which officials and employees are designated and disclosure categories are set forth, are hereby incorporated by reference and constitute the Conflict of Interest Code of the California Institute for Regenerative Medicine (“CIRM”).

The Board Members, including and the President-Chairman of the Independent Citizens Oversight Committee, and President of CIRM, shall file statements of economic interests with ~~the California Institute for Regenerative Medicine~~CIRM, which shall make and retain a copy and forward the original to the Fair Political Practices Commission, which shall be the filing officer.

All other designated employees shall file statements of economic interests with the California Institute for Regenerative Medicine, which shall be the filing officer.

Designated employees Disclosure Category

ICOC

Chair, ICOC	1
Vice Chair, ICOC	1
Member, ICOC	1

Office of the Chair

Executive Assistant to the Chair and Assistant Secretary	3
Executive Director, ICOC Board	1
Legal Counsel to the Chair	1
Deputy to the Chair-Finance, Policy and Outreach	1
Senior Director of Public Communications & Patient Advocate Outreach	1
Executive Assistant to the Vice Chair	3
Administrative Assistant	3
Senior Science and Education Communications Officer	3
Communications Manager	3
Multi-media Editor	3

Office of the President

President	1
General Counsel and Vice President of Business Development	1
Deputy General Counsel	1
Paralegal/Contracts Administrator	3
Special Projects Officer to the President	1
Senior Executive Assistant to the President	3
Administrative Assistant to the General Counsel	3

Science Office

Senior Vice President of Research and Development	1
Executive Director, Scientific Activities	1
Associate Director-Development	1
Associate Director-Research	1
Science Officer I, II	1
Senior Development Officer	1
Medical Officer	1
Senior Review Officer	1

Senior Officer for Medical & Ethical Standards	2
Science Associate	1
Program Manager	1
Grants Management Officer	1
Deputy Grants Management Officer	1
Grants Management Specialist I, II	2
Grants Review Specialist I, II	1
Administrative Assistant	3
Grants Technical Assistant	3
Facilities Analyst	3

Finance and Administration

Chief Financial Officer	1
Finance Officer	3
Financial Services Officer	3
Chief Human Resources Officer	3
Office Manager	3
Administrative Coordinator/Senior Administrative Coordinator	3

Consultant 1

Consultants shall disclose pursuant to the broadest disclosure category in the CIRM conflict of interest code, subject to the following limitations: The agency President may determine in writing that a particular consultant, although a designated employee, is hired to perform a range of duties that are limited in scope and thus is not required to comply with the disclosure requirements described in this section. Such determination shall include a description of the consultant's duties and, based upon that description, a statement of the extent of disclosure requirements. The determination of the President is a public record and shall be retained for public inspection in the same manner and location as this conflict of interest code. Nothing herein excuses any such consultant from any other provision of this Conflict of Interest Code.

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Disclosure Categories

Category 1

~~A designated employee in this category shall report:~~

~~All investments, business positions, and income, including gifts, loans and travel payments; and all interests in real property located in the state of California, as defined in the Political Reform Act and the FPPC's regulations.~~

Category 2

A designated employee in this category shall report:

All investments, business positions and income, including gifts, loans and travel payments, if the business entity or source of income is of the type to receive grants or other monies from or through the California Institute for Regenerative Medicine; ~~and~~

All investments, business positions and income, including gifts, loans and travel payments, if the business entity or the source of income is of the type to offer or provide facilities, services, goods or products purchased or used, or contracted for, by the California Institute for Regenerative Medicine, and is providing or planning to provide such facilities, services, goods or products; and

All investments, business positions and income, including gifts, loans and travel payments, if the business entity or source of income is engaged in biomedical research or manufacturing biomedical pharmaceuticals.

Category 23

A designated employee in this category shall report:

All investments, business positions and income, including gifts, loans and travel payments, if the business entity or source of income is engaged in biomedical research or manufacturing biomedical pharmaceuticals.

All investments, business positions and income, including gifts, loans and travel payments, if the business entity or the source of income is of the type to offer or provide facilities, services, goods or products purchased or used, or contracted for, by the California Institute for Regenerative Medicine, and is providing or is planning to provide such facilities, services, goods or products.

Category 34

A designated employee in this category shall report:

All investments, business positions and income, including gifts, loans and travel payments, if the business entity or the source of income is of the type to offer or provide

facilities, services, goods or products purchased or used, or contracted for, by the California Institute for Regenerative Medicine, and is providing or is planning to provide such facilities, services, goods or products.