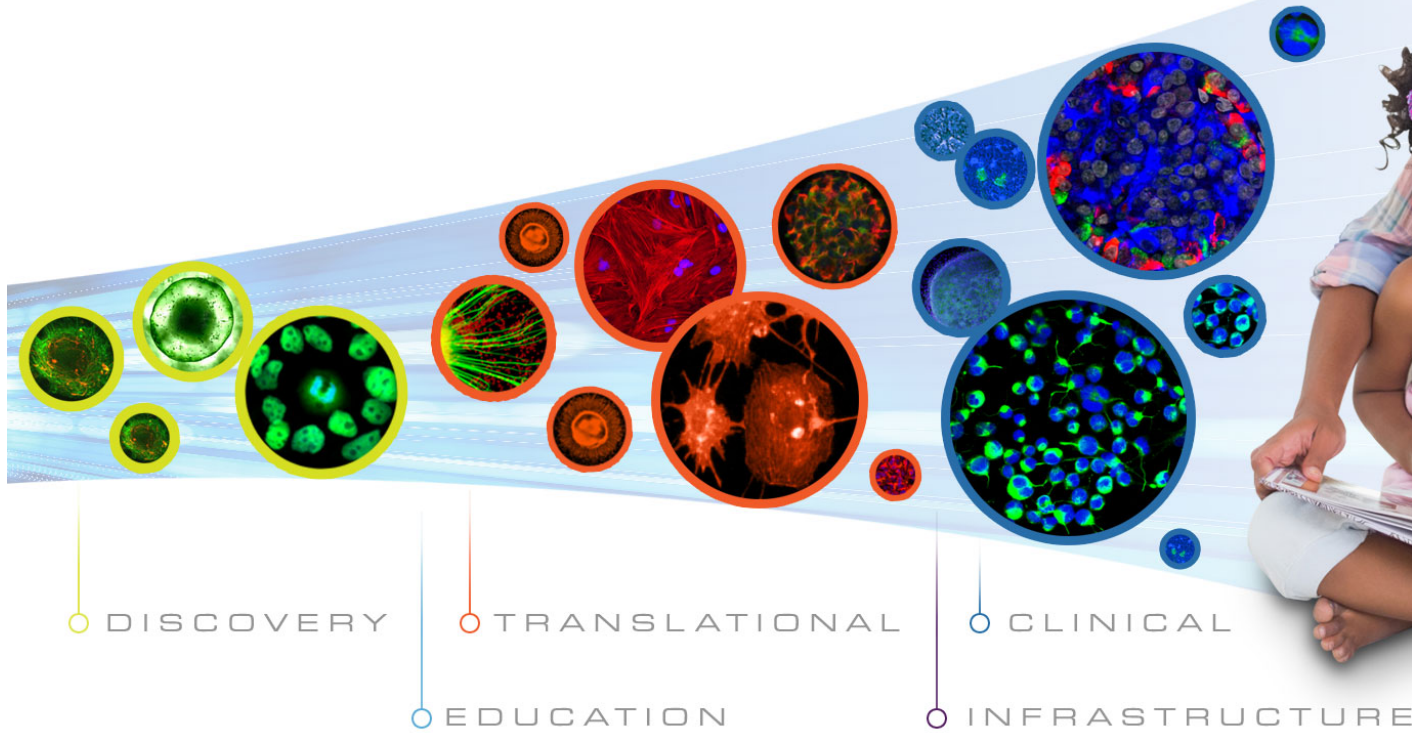


CIRM

CALIFORNIA'S STEM CELL AGENCY



ETHICS PRESENTATION

James Harrison

TRAINING GOALS

- Alert Board Members to types of conduct, activities and relationships that can trigger disclosure or disqualification.
- Encourage Board Members to take advantage of additional ethics training.
- Advise Board Members to consult with CIRM counsel when ethics questions arise.

STATEMENT OF ECONOMIC INTEREST (FORM 700)

- Board Members must file annual Form 700s, disclosing economic interests in investments; real property; income; load and business positions; gifts; and travel payments.
- Remind public officials of their economic interests.
- Puts public on notice regarding potential conflicts of interest.

POLITICAL REFORM ACT

- A public official may not participate in a decision if it is reasonably foreseeable that the decision will have a material financial effect on one of the official's economic interests.
- Financial interests include sources of income and gifts, personal finances, and investments in business entities or real property.

POLITICAL REFORM ACT

If a public official has a conflict of interest:

- Must refrain from making, or participating in making, governmental decisions.
- Must refrain from using official position to attempt to influence decision.

GIFT AND TRAVEL RESTRICTIONS

- No free discounts or passes from transportation companies.
- Report gifts of \$50 or more on Form 700.
- Prohibited from accepting gifts from single donor if aggregate total value for calendar year exceeds \$460.
- Certain travel payments exempt from limits when provided in exchange for panel participation or delivery of a speech.

GOVERNMENT CODE SECTION 1090

- Prohibits public officers and employees from participating in RFPs and contract processes where they or their family members have a direct or indirect economic interest in the contract.

GOVERNMENT CODE SECTION 1090

Contract processes include:

- Preliminary discussions
- Negotiations
- Compromises
- Reasoning
- Planning
- Drawing of plans and specifications
- Solicitation for bids

SPECIAL RULE APPLICABLE TO CIRM

Section 1090 applies to grants or contracts made by CIRM only if:

- (1) The grant or contract directly relates to services to be provided by a member or the entity the member represents or financially benefits the member or entity he or she represents; and
- (2) The member fails to recuse himself or herself from making, participating in making, or attempting to influence a decision on the grant or contract.

USE OF PUBLIC FUNDS

- Public officers and employees are prohibited from using public resources (e.g., time, supplies, money) for personal or political purposes.
- Public funds may be used to lobby the Legislature or other government agencies, but cannot be spent to advocate for or against ballot measures.
- Public agencies may only give fair and balanced information regarding ballot measure – no express advocacy.