

1 Adopt 17 Cal. Code of Regs. section 100002 to read:

2 **§ 100002. Conflicts of Interest – Non-ICOC Members of the Scientific and Medical**
3 **Accountability Standards Working Group.**

4 (a) Prohibitions: Non-ICOC Members of the Standards Working Group are precluded
5 from deriving direct financial benefit from the CIRM through grants, loans or contracts and from
6 acting as a Principal Investigator on any CIRM-funded grant. Senior academic officers
7 (including, but not limited to, chancellors, presidents of institutions, deans, chairs of
8 departments, executive officers of research institutions, and other similar positions), who, as part
9 of their responsibilities, oversee and advise researchers in their institution or who sign off on
10 grants, loans or contracts shall not be deemed to have a conflict of interest under this regulation.

11 (b) Disclosure: A non-ICOC working group member has a financial interest in and must
12 disclose confidentially and under penalty of perjury the following:

13 (1) All California-based academic or non-profit research institutions from which
14 Standard Working Group members, their spouses, or others with whom a member has a common
15 financial interest, receive current income of \$5,000 or more;

16 (2) All biotechnology and pharmaceutical companies from which members, their
17 spouses, or others with whom a member has a common financial interest, receive current income
18 or other benefit or investments of \$5,000 or more; and

19 (3) All real property interests in California of \$5,000 or more (including real
20 estate interests and interests in intellectual property such as patents and copyrights) held by
21 members, their spouses, or others with whom a member has a common financial interest.

22 (c) Disqualification: A conflict of interest exists when there is a financial or other
23 interest that significantly impairs the individual's objectivity or that creates an unfair advantage

1 for any person, institution or company. A non-ICOC member has a conflict of interest when any
2 financial interest identified in subdivision (b) of this regulation is the subject of a decision before
3 the working group. A member of the Working Group who has a real or apparent conflict of
4 interest with respect to a decision may not participate in the decision and must leave the room
5 when that decision is discussed. In exceptional cases, the President of the CIRM may decide that
6 the need for special expertise of a member outweighs any possible bias posed by a real or
7 apparent conflict of interest. Under these circumstances, the CIRM staff shall publicly disclose
8 the working group member's interest before the meeting and the working group member shall be
9 permitted to participate in the discussion but will not be permitted to vote on the matter.

10 (d) Record-Keeping: All financial disclosure documents shall be kept confidential by the
11 CIRM staff and preserved for purposes of review by the State Auditor or another independent
12 auditor and any other audit as required by law. Records of the working group indicating those
13 members who participated in or voted on particular recommendations shall be maintained by the
14 CIRM staff. If the CIRM or an auditor discovers a violation of these conflict of interest
15 provisions, a report will be made to the Legislature along with a review of corrective actions
16 taken by the CIRM to prevent future occurrences.

17 Note: Authority cited: California Constitution, article XXXV; Section 125290.40, subd.(j),
18 Health and Safety Code.

19 Reference: Sections 125290.50, subd (e), 125290.55, Health and Safety Code.