

1 Adopt 17 Cal. Code of Regs. section 100004 to read:

2 **§ 100004. Conflicts of Interest – Non-ICOC Members of the Scientific and Medical**
3 **Facilities Working Group.**

4 (a) Prohibitions: Except as provided otherwise in this regulation, a Facilities Working
5 Group member may not participate in a decision of the working group in which the individual
6 has a conflict of interest. Non-ICOC members serving on the Facilities Working Group may not
7 receive compensation from any construction or development entity providing specialized
8 services for medical research facilities. Non-ICOC members may not provide real estate facilities
9 brokerage services for any applicant for a facilities grant, or for any entity that receives funding
10 from the Facilities Working Group, and shall not receive compensation from any recipient of
11 CIRM funding grants.

12 (b) Conflict of Interest Protections: A conflict of interest exists when a non-ICOC
13 Working Group member has a real or apparent interest in the outcome of an application such that
14 the member is in a position to gain financially or professionally from either a positive or negative
15 evaluation of the grant proposal.

16 (c) “Financial” Conflict of Interest - Defined: A non-ICOC member has a financial
17 conflict of interest if:

18 (1) The member, his or her spouse, or any other person with whom the member has a
19 common financial interest, is an employee of any construction, real estate or development entity
20 on an application.

21 (2) The member, his or her spouse, or any other person with whom the member has a
22 common financial interest, is under active consideration for employment at an applicant entity.

1 (3) A member, his or her spouse, or any other person with whom the member has a
2 common financial interest, stands to receive a financial benefit of any amount from an
3 application under review.

4 (4) A member, his or her spouse, or any other person with whom the member has a
5 common financial interest, has received or could receive a financial benefit of any type from an
6 applicant institution or organization unrelated to the proposal, of over \$5,000 per year. This total
7 includes honoraria, fees, stock and other benefits. It also includes current stock holdings, equity
8 interest, intellectual property or real property interest, but does not include diversified mutual
9 funds.

10 (d) "Professional" Conflict of Interest - Defined: A non-ICOC member has a professional
11 conflict of interest if the reviewer and a project director or manager of an application are
12 engaged in, or are planning to be engaged in, a joint project.

13 (e) Disclosure: A non-ICOC working group member shall disclose confidentially and
14 under penalty of perjury the following financial interests:

15 (1) All California-based academic or non-profit research institutions from which
16 members, their spouses, or others with whom a member has a common financial interest, receive
17 current income or other benefit of \$5,000 or more.

18 (2) All construction, real estate or development firms from which members, their
19 spouses, or others with whom a member has a common financial interest, receive current income
20 or other benefit, or hold an investment, of \$5,000 or more.

21 (3) All real property interests in California held by members, their spouses, or others with
22 whom a member has a common financial interest.

1 (f) Disqualification: A non-ICOC member is required to report to the CIRM staff member
2 any conflict of interest of which he or she is aware, including, but not limited to, those described
3 in subdivisions (c) through (e) of this regulation. Any member of the Facilities Working Group
4 who has a real or apparent conflict of interest with respect to an application may not review or
5 vote on the application and must leave the room when that application is discussed. In
6 exceptional cases, the President of the CIRM may decide that the need for special expertise of
7 the reviewer outweighs any possible bias posed by a real or apparent conflict of interest. Under
8 these circumstances, the CIRM staff shall publicly disclose the working group member's interest
9 before the meeting and the working group member shall be permitted to participate in the
10 discussion but will not be permitted to vote on the application.

11 (g) All members reviewing grants must sign a pre-review statement indicating any
12 possible conflicts of interest that they have, and must also sign a post-review statement that they
13 did not participate in the discussion or review of any application for which they might have a
14 conflict of interest, or shall indicate permission to participate was granted by the President
15 pursuant to subdivision (f) of this regulation.

16 (h) Record-Keeping: All financial disclosure documents shall be kept confidential by the
17 CIRM staff and preserved for purposes of audit as provided for in Health and Safety code
18 Section 125290.30 and any other audit as required by law. Records of the working group
19 indicating those members who participated in or voted on particular recommendations shall be
20 maintained by the CIRM staff. If the CIRM or an auditor discovers a violation of these conflict
21 of interest provisions, a report will be made to the Legislature along with a review of corrective
22 actions taken by the CIRM to prevent future occurrences.

- 1 Note: Authority cited: California Constitution, article XXXV; Section 125290.40, subd.(j).
- 2 Health and Safety Code.
- 3 Reference: Sections 125290.50, subd. (e), 125290.65, Health and Safety Code.