

Alabama Workforce Investment System

**Alabama Department of Economic and Community Affairs
Workforce Development Division
401 Adams Avenue
Post Office Box 5690
Montgomery, Alabama 36103-5690**

JAN 7 1999

GOVERNOR'S WORKFORCE DEVELOPMENT DIRECTIVE NO. PY99-05

SUBJECT: Conflict of Interest

- 1. Purpose.** To transmit the State's Conflict of Interest Policy
- 2. Discussion.** The Workforce Investment Act requires that State and Local Workforce Investment Boards maintain a written code of standards of conduct governing the performance of its members.
- 3. Action.** Each Local Workforce Investment Board shall incorporate the attached Conflict of Interest Policy into its local board by-laws.
- 4. Contact.** Any questions regarding this directive should be addressed to Ray Clenney, Workforce Development Division, at (334) 242-5300.



Steve Walkley, Director
Workforce Development Division

Attachment

**Workforce Investment Act of 1998
State Policy on Conflicts of Interest for
State and Local Workforce Investment Boards**

The Workforce Investment Act of 1998 requires both State and Local Workforce Investment Boards to maintain a written code of standards of conduct governing the performance of its members. Listed below is the state policy on Conflict of Interest that applies to both the State and local boards.

The Alabama Code of Ethics for Public Officials, Employees, etc., defines conflict of interest as the following:

A conflict on the part of a public official between his or her private interests and the official responsibilities inherent in an office of public trust. A conflict of interest involves any action, inaction, or decision by a public official or public employee in the discharge of his or her official duties which would materially affect his or her financial interest or those of his or her family members or any business with which the person is associated in a manner different from the manner it affects the other members of the class to which he or she belongs.

Section 111 (f) of the Workforce Investment Act of 1998 states that a member of a State Board may not:

- (1) vote on a matter under consideration by the State Board--
 - (A) regarding the provision of services by such member (or an entity that such member represents); or
 - (B) that would provide direct financial benefit to such member or the immediate family of such member; or
- (2) engage in other activity determined by the Governor to constitute a conflict of interest as specified in the plan.

The State Workforce Investment Board (SWIB) and Local Workforce Investment Boards (LWIB) shall maintain a written code of standards of conduct governing the performance of its members. The SWIB and LWIB shall ensure that no individual in a decision-making capacity, including board members (whether compensated or not), shall engage in any activity, including voting on matters related to the provision of services or award if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when:

- (1) The individual,
- (2) any member of the individual's immediate family,
- (3) the individual's business partner, or
- (4) an organization which employs, or is about to employ, any of the above, has a financial or other interest in the firm or organization selected for award.

An apparent conflict of interest carries the same weight of regulation as a real conflict. Care must be taken to identify potential apparent conflicts and to document them in minutes of the board meetings. Board members with a real or apparent conflict of interest must declare this conflict. .