ALABAMA WORKFORCE INVESTMENT SYSTEM

Alabama Department of Commerce
Workforce Development Division
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February 29, 2016
GOVERNOR'S WORKFORCE INNOVATION DIRECTIVE NO. PY2015 - 13

SUBJECT: Conflict of Interest

1. **Purpose.** To transmit the State's Conflict of Interest Policy

2. **Discussion.** The Workforce Innovation and Opportunity Act (WIOA) requires that State and Local Workforce Development Boards maintain a written code of standards of conduct governing the performance of its members. To that end, the attached Conflict of Interest Policy was developed in accordance with the requirements at Section 101(f) and 107(h) of the WIOA

3. **Action.** Each Local Workforce Development Board shall incorporate the attached Conflict of Interest Policy into is local board by-laws.

4. **Contact.** Questions or comments concerning this Directive should be referred to Bill Hornsby, Supervisor, Workforce Development Division, State Programs, Planning and Divisional Budget Management Section at (334) 242-5847 or bill.hornsby@commerce.alabama.gov.

2/29/2016

Steve Walkley, Division Manager, Workforce Development Division **Date**
Alabama Department of Commerce

Attachment
Conflict of Interest Policy

Workforce Innovation and Opportunity Act (WIOA)
State Policy on Conflicts of Interest for
State and Local Workforce Development Boards

The Workforce Innovation and Opportunity Act (WIOA) requires both State and Local Workforce Development 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 or public employee 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. (Reference Alabama Code – Section 36-25-1: Definitions)

Section 101(f) of the Workforce Innovation and Opportunity Act 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 State plan.

Section 107(h) of the Workforce Innovation and Opportunity Act states that a member of a Local Board or a member of a standing committee may not:

(1) vote on a matter under consideration by the Local 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 State plan.

The State Workforce Development Board (SWDB) and Local Workforce Development Boards (LWDBs) shall maintain a written code of standards of conduct governing the performance of its members. The SWDB and LWDB 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.

For purposes of this policy, "immediate family member" includes spouse, son, son-in-law, daughter, daughter-in-law, mother, mother-in-law, father, father-in-law, brother, brother-in-law, sister, sister-in-law, aunt, uncle, niece, nephew, step-parent, step-child, grandparent, and grandchild.

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.