

Governmental Ethics

Conflict of Interest

Significant authorities:

- **State of California**
 - Welfare & Institutions Code (§ 4525)
 - Government Code (§§ 87100 et seq., §§ 1090 et seq.)
 - Common law doctrine (usually statutory provisions are applied instead)
 - **Federal Government**
 - DD Act
- Note that the DD Act prohibits not only actual conflicts of interests based on financial affects. DD Act also prohibits the *appearance* of a conflict of interest. (See DD Act § 124(c)(5)(D).)

Type of Conflict of Interest	Key Provisions	Member of the Council	Member of a RAC (if "advisory")
W&I Code 4525	Conflict of Interest (state funds) - <ul style="list-style-type: none"> • Members of state council may not be: • Employees or board members • of entity that provides service(s) • to PWDD • funded in whole or in part by stated funds (Does not apply to agency Council position)	X	
Gov. Code 87100	"Economic interests" include: <ul style="list-style-type: none"> • Sources of Income • Sources of Gifts • Real estate • Business investments or positions Conflict of interest results when: <ul style="list-style-type: none"> → it is reasonably foreseeable that a Council decision financially affects the Councilmember (i.e., one of his/her economic interests) in a way that is considered "material" or important under the law. 	X	
Gov. Code 1090	<ul style="list-style-type: none"> • Similar to Section 87100 with key differences • Government Code Section 1090 deals specifically with conflicts of interest involving contracts, including grants. • Definitions of financial interest (creates a COI) are usually provided by court, AG advice, and looking at "remote interest" and "non-interest" rules • In general, any contract made in violation of Section 1090 is void and cannot be enforced. 	X	
[Common law doctrine]	Usually the statutory rules are applied.	X	X
DD Act 124(c)(5)(D)	<ul style="list-style-type: none"> • No member of Council • Will cast vote • On any matter • That would provide direct financial benefit to member Or otherwise give appearance of a COI	X	