



**San Gabriel/Pomona
Regional Center**

Our mission is to collaborate, advocate, and support individuals with developmental disabilities and their families, ensuring that every person enjoys a life of meaningful opportunities and inclusion



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Regional Center**

CONFLICT OF INTEREST POLICY

Updated August 2026

GENERAL

The Board of Directors of the San Gabriel/Pomona Regional Center (SG/PRC) places a high priority on ensuring that regional center Board Members, the Executive Director, employees and others acting on behalf of SG/PRC maintain the highest personal and professional ethical standards and act in the course of their duties solely in the best interest of SG/PRC clients and their families, without regard to the interests of any other organization with which they are associated or persons to whom they are related. Board members, the Executive Director, employees and others acting on behalf of SG/PRC must be free from conflicts of interest that could adversely influence their judgment, objectivity and/or loyalty to SG/PRC, its clients, or its mission. As such, Board members, the Executive Director, employees and others acting on behalf of SG/PRC must comply with the provisions of the Lanterman Developmental Disabilities Services Act ("Lanterman Act") which address conflicts of interest ("COI"), including Welfare and Institutions Code ("WIC") sections 4626, 4626.5 and 4627, as well as the Lanterman Act's implementing regulations located at Title 17, of the California Code of Regulations ("Title 17"), Section 54500 and following.

PURPOSE OF THIS POLICY AND THE GENERAL SCOPE OF CONFLICTS LAWS

This Policy applies to all SG/PRC Board members, the SG/PRC Executive Director, SG/PRC Employees with Decision or Policy-Making Authority, SG/PRC Advisory Committee Board members, and SG/PRC contractors, agents and consultants. The purpose of this COI Policy ("Policy") is to define specific areas which may give rise to potential or actual COIs for SG/PRC's Board Members, Executive Director, Employees with Decision or Policy-Making Authority, SG/PRC Advisory Committee Board members, and others acting on behalf of SG/PRC.

DEFINITIONS

The following definitions are applicable to this Policy:

1. "Potential COI" means a situation which, based upon circumstances reasonably expected to occur at a point in the future, may result in a COI, as specified in Title 17, Section 54520 and following.
2. "Present COI" means a situation in which a COI currently exists, as specified in Title 17, Section 54520 and following.
3. "Business Entity, Entity or Provider" means any individual, business venture, or state or local governmental entity from whom or from which the regional center purchases, obtains, or secures goods or services to conduct its operations. These entities or providers include, but are not limited to, residential facilities, intermediate care facilities, skilled nursing facilities, supported and independent living services, hospitals, medical groups, activity centers, housing providers, entities formed in support of the regional center, infant programs, clinics, laboratories, pharmacies, drug stores, ambulance services, furniture stores, equipment and supply stores, physicians, psychologists, nurses, therapists, teachers, social workers, and contract case managers. For purposes of this Policy, "Business Entity, Entity or Provider" does not include a consumer or family member of a consumer who receives vouchers for consumer services.
4. "Decision or Policy-Making Authority" means the authority an individual possesses when the person:
 - a. Exercises discretion or judgment, without significant intervening substantive review, in making, advising, or recommending a decision or in making a final decision; or
 - b. May compel a decision or may prevent a decision either by reason of an exclusive power to initiate the decision or by reason of a veto which may or may not be overridden;
 - c. Makes substantive recommendations which are, and over an extended period of time have been, regularly approved without significant amendment or modification by another person or entity or provider; or
 - d. Votes on matters, obligates or commits his or her agency to any course of action, or enters into any contractual agreement on behalf of his or her agency.
 - e. Votes to approve, appoint or ratify, or approves, or hires any director, trustee, member of the board, member of a board committee, officer, agent, employee, contractor, or consultant for his or her entity or any other business entity or provider.

"Decision or Policy-Making Authority" does not include actions of the individuals which are solely secretarial or clerical in nature. Service

Coordinators are deemed to be employees with Decision or Policy-Making Authority.

5. "Prospective Client" means any individual person who has presented himself or herself at SG/PRC and might require services, but who has not yet been determined by a regional center to meet the eligibility criteria for regional center services.
6. "Regional Center" means a diagnostic, counseling, and service coordination center for persons with developmental disabilities and their families which is established and operated pursuant to the California Welfare and Institutions Code by a private, nonprofit corporation acting as a contracting agency.
7. "SG/PRC Employee" means any person who performs services for wages, salary or a fee under a contract of employment, express or implied, with SG/PRC. For purposes of this Policy, a Business Entity, Entity or Provider as defined herein is not a SG/PRC Employee.
8. "Contractor, Agent and Consultant" means any person who performs services for wages, salary or a fee for SG/PRC who has Decision or Policy-Making Authority or the authority to act on behalf of SG/PRC, but who do not work under a contract of employment, express or implied, with SG/PRC and is otherwise not an SG/PRC Employee. The term "Contractor, Agent and Consultant" may include a SG/PRC-vendored clinician if they have Decision or Policy-Making Authority or the authority to act on behalf of SG/PRC. For purposes of this Policy, a SG/PRC Contractor, Agent and Consultant is treated like an Employee and must comply with laws and Regulations regarding Conflicts of Interest, including, but not limited to the completion of Conflict of Interest Reporting Statements.
9. "Regional Center Operations" means those activities or services which regional centers are required by law, regulation, or contract with the State to provide, obtain, or purchase. Such activities include, but are not limited to, case finding, outreach, prevention, intake and assessment, individual program planning, case management, community programs, program development, and consumer advocacy and protection.
10. "Supervisors" are those individuals who serve as reviewing officers for reports of performance.
11. "Family Members" shall include spouse, domestic partner, parents, stepparents, grandparents, siblings, step-siblings, children, stepchildren, grandchildren, parents-in-law, brothers-in-law, sisters-in-law, sons-in-law, and daughters-in-law.
12. "SG/PRC Senior Staff" means those people in key positions that drive the strategic decision-making at SG/PRC, including (1) the Executive Director; (2) Associate Executive Director or comparable position, if applicable; (3)

members of SG/PRC's executive team; and (4) the highest ranking staff position in each of the following disciplines: (a) Case Management; (b) Clinical Services; (c) Community Services; (d) Finances; and (e) Human Resources.

13. "Financial Interest" is defined in Title 17, Sections 54522 and 54527 as follows: Financial Interest includes any current or contingent ownership, equity, or security interest that could result, directly or indirectly, in receiving a pecuniary gain or sustaining a pecuniary loss as a result of the interest in any of the following: (1) business entity worth two thousand dollars (\$2,000) or more. (2) real or personal property worth two thousand dollars (\$2,000) or more in fair market value. (3) stocks or bonds worth two thousand dollars (\$2,000) or more. (4) intellectual property rights worth five hundred dollars (\$500) or more. (5) sources of gross income aggregating five hundred dollars (\$500) or more within the prior 12 months. (6) future interest for compensation of five hundred dollars (\$500) or more. (7) personal finances of two hundred fifty dollars (\$250) or more.

RULES AND GUIDELINES REGARDING CONFLICTS OF INTEREST

The following rules and guidelines arise from the provisions of Welfare and Institutions Code section 4626 and 4626.5, and Title 17, section 54520 and following, of the California Code of Regulations, which are attached hereto, and the below rules and guidelines should be interpreted in accordance with those laws and regulations.

A. **Conflicts of Interest.** As detailed below, no SG/PRC Employee, Contractor, Agent, Consultant, or Executive Director shall continue working with SG/PRC, and no Director shall remain on the Board of Directors of SG/PRC, if the Employee, Contractor, Agent, Consultant, Executive Director or Board member has a COI in violation of these provisions, unless the individual eliminates the COI or obtains a waiver. SG/PRC Employees, Contractors, Agents, Consultants, the Executive Director and Board members must, at a minimum, follow these rules and guidelines to avoid COIs:

1. **Conflict by Holding Position with Business Entity/Provider.** A COI exists when: a SG/PRC Board Member, an Executive Director, or a Family Member of such person (Title 17, Section 54520), or an SG/PRC Employee with Decision or Policy-Making Authority, a Contractor, an Agent, or a Consultant with authority to act on behalf of SG/PRC, or Family Member of such person (Title 17, Section 54526), is any of the following for a Business Entity, Entity or Provider: (1) a governing board member, (2) a board committee member, (3) a director, (4) an officer, (5) an owner, (6) a partner, (7) a shareholder, (8) a trustee, (9) an employee, (10) an agent, (11) a contractor, (12) a consultant, (13) holds any position of management, or (14) has Decision or Policy-Making authority.
2. **No Employee Shall Have a Financial Interest in a Business Entity/Provider.**

a. **No Financial Interest in SG/PRC Decisions.** No SG/PRC Employee shall make or participate in making a regional center decision in which he or she knows, or has reason to know, he or she, or his or her Family Member, has a Financial Interest.

b. **No Financial Interest in SG/PRC Contracts.** No SG/PRC Employee shall participate in the making of contracts in which he or she, or his or her Family Member, has a financial interest. For example, if SG/PRC is purchasing new copy machines, a SG/PRC Employee could not contract with his or her spouse for the purchase of those machines. For purposes of this subdivision b. only, “financial interest,” means any financial interest, direct or indirect, regardless of the dollar amount, and includes aiming to achieve a financial gain or avoid a financial loss. The financial interest includes any monetary or proprietary benefit, gain of any sort, or the contingent possibility of monetary or proprietary benefits, and extends to expectations of economic benefit. Certainty of financial gain is not necessary to create a COI.

(1) SG/PRC Employees may make a contract which is financially beneficial to a Family Member without it becoming a COI if the benefits associated with the contract are available to SG/PRC consumers or their families generally.

3. **No Board Member or Executive Director Shall Have a Financial Interest in a Business Entity/Provider.**

a. **No Financial Interest in SG/PRC Decisions.** No SG/PRC Board member or Executive Director shall make or participate in making a SG/PRC decision in which he or she knows, or has reason to know, he or she, or his or her Family Member, has a Financial Interest

b. **No Financial Interest in SG/PRC Contracts.** SG/PRC Board members and Executive Director, and their Family Members, shall not be financially interested in any contract in which they participate in making. For purposes of this subdivision b. only, “financially interested” means having any financial interest, direct or indirect, regardless of the dollar amount, and includes aiming to achieve a financial gain or avoid a financial loss. The financial interest includes any monetary or proprietary benefit, gain of any sort, or the contingent possibility of monetary or proprietary benefits, and extends to expectations of economic benefit. Certainty of financial gain is not necessary to create a COI.

(1) If a SG/PRC Board member or Executive Director, or their Family Member, has a financial interest in a potential contract that creates a Present or Potential COI, the Board member or Executive Director shall do all of the following prior to the first consideration of the potential contract: (a) Fully disclose the existence and nature of the conflicting

financial interest to the SG/PRC Board; (b) Have it noted in the official Board records; (c) Recuse himself or herself from making, participating in making, or in any way attempting to use his or her position to influence a decision on the matter; (d) Leave the room during any discussion or deliberations of the matter and not return until disposition of the matter is concluded; and (e) Refrain from casting his or her vote upon any matter or contract concerning the financial interest or be counted for purposes of a quorum. This subparagraph does not apply if the Board member is an individual served by SG/PRC and the financial benefit is available to any SG/PRC consumer. A SG/PRC Board member and Executive Director may make a contract which is financially beneficial to a Family Member if the benefits associated with the contract are available to SG/PRC consumers or their families generally.

4. No Supervision of Family Member. An SG/PRC Employee may not be the Supervisor of another Employee who is a Family Member.

5. No Hiring or Promotion of Family Member. No SG/PRC Employee, Executive Director or Board member shall screen, evaluate the application of, or interview, an employee applicant or an applicant for the SG/PRC Board of Directors, who is a Family Member. No SG/PRC Senior Staff may hire a Family Member to work at SG/PRC or any ancillary foundation or organization. No SG/PRC Employee or Executive Director shall consider awarding, or award, a promotion to a SG/PRC Employee who is a Family Member.

6. No Receipt of Gifts Valued at Over Fifteen Dollars. SG/PRC Employees are prohibited from accepting a gift or gifts from a service provider, consumer, or a consumer's Family Member valued at over fifteen dollars (\$15) per year. This provision does not apply in situations in which an SG/PRC Employee is a Family Member of the service provider, consumer or a consumer's Family Member.

7. No Employment by Department of Developmental Services. No SG/PRC Employee, Executive Director, Contractor, Agent, Consultant, or Board member shall be an employee of the Department of Developmental Services (DDS), or an employee of any state or local agency that provides services to regional center clients, if employed in a capacity which includes administrative or policymaking responsibility, or responsibility for the regulation of SG/PRC.

8. No State Council Membership. No member of the Board of Directors shall be a member of the State Council or a State Council Regional Advisory Committee.

9. No COI with Entity that Receives Regional Center Funding. No SG/PRC Employee, Executive Director, Contractor, Agent, Consultant, or Board member shall have a COI with an entity that receives regional center funding, including, but not limited to, a nonprofit housing organization or an organization qualified under Section 501(c)(3) of the Internal Revenue Code, that actively functions in a supporting

relationship to SG/PRC.

10. General Prohibition of Conflicts of Interest. In addition to the specific COI requirements and restrictions set forth above, SG/PRC Board members, Executive Director, Employees, Contractors, Agents and Consultants are obligated to discharge their responsibilities with integrity and fidelity and are prohibited from placing themselves in a position where their private, personal interests may conflict with their official duties. An SG/PRC Board member, Executive Director, Employee, Contractor, Agent or Consultant is impliedly bound to exercise the powers conferred on him or her with disinterested skill, zeal and diligence and for the benefit of SG/PRC and its consumers. If a situation arises that has not been specifically addressed in this Policy, where a Present or Potential COI exists as to a particular transaction or decision, the Board member, Executive Director, Employee, Contractor, Agent or Consultant, or their Family Member, is disqualified from taking any part in the discussion or from making any recommendation or decision regarding the particular matter. In interpreting and applying this section, the common law doctrine against COI and the authorities interpreting that doctrine shall govern.

11. Board Member Designated by Vendor Advisory Committee. The requirement that no Board member shall be an employee or member of the governing board of any Business Entity, Entity or Provider from which SG/PRC purchases consumer services, shall not apply to the Board member who is designated to serve on the Board by the members of the Vendor Advisory Committee. To prevent a COI, the Board member designated by the Vendor Advisory Committee is prohibited from (1) serving as an officer on the Board; (2) voting on any fiscal matter affecting the purchase of services from any SG/PRC provider; and (3) voting on any other issue in which the member has a financial interest, as defined in Government Code, Section 87103, and determined by the SG/PRC Board. That member must provide a list of their financial interests, as defined in Government Code, Section 87103, to the SG/PRC Board and must provide ongoing information about any changes.

B. Other

1. No Partisan Political Affiliations: No Board member, Executive Director, Employee, Contractor, Agent or Consultant shall campaign, endorse, or otherwise engage in partisan political activities in their roles as SG/PRC representatives.

2. Use of SG/PRC Property: A SG/PRC Board member, Executive Director, Employee, Contractor, Agent or Consultant who is employed by or participates in a business venture outside of SG/PRC shall not allow such employment or business venture to interfere with his or her duties at SG/PRC, and shall not use SG/PRC property or services for the outside employment or business venture without the express approval of the Executive Director and the Board and without appropriate payment for property use.

C. COI Procedures.

A. COI Disclosures.

1. **Initial COI Reporting Statement by Executive Director and Board members.** Each new Executive Director and Board member shall prepare and file with the Board an initial COI Reporting Statement on a standard form published by DDS within 30 days of being selected, appointed, elected or approved. All such COI Reporting Statements must be reviewed by the Board.
2. **Initial COI Reporting Statement by Employees, Contractors, Agents and Consultants.** Every SG/PRC Employee, Contractor, Agent, and Consultant shall complete and file an initial COI Reporting Statement with SG/PRC within 30 days of assuming the position. All such COI Reporting Statements must be reviewed by the Executive Director.
3. **Annual COI Statement by Executive Director and Board Members.** Every current Executive Director and Board member shall complete and file a COI Reporting Statement with the Board annually, by August 1 of each year. All COI Reporting Statements must be reviewed by the Board.
4. **Annual COI Statement by Employees, Contractors, Agents and Consultants.** Every current SG/PRC Employee, Contractor, Agent and Consultant shall complete and file a COI Reporting Statement with SG/PRC, whether or not the individual has identified a Present or Potential COI, annually, by August 1 of each year. All such COI Reporting Statements must be reviewed by the Executive Director.
5. **New Candidate for Board and Executive Director.** Each new candidate for the Board and for Executive Director shall disclose any Present or Potential COI to the SG/PRC Board, prior to being appointed, elected, or approved for hire by SG/PRC or the Board.
6. **Change in Status of Executive Director and Board Members.** Every current Executive Director and Board member shall file a subsequent COI Reporting Statement with the Board within 30 days of any change in status that creates a Present or Potential COI. A change in status includes, but is not limited to, a previously unreported activity that should have been reported, a change in the circumstance of a previously reported activity, a change in financial interests, familial relationship or legal commitment, change in regional center or board position or duties, and a change to outside position or duties, whether compensated or not. For example, getting married is a change in status.
7. **Change in Status of Employees, Contractors, Agents and Consultants.** Every current regional center Employee, Contractor, Agent, and Consultant shall file a subsequent COI Reporting Statement with SG/PRC within 30 days

of any change in status that creates a Present or Potential COI. A change in status includes, but is not limited to, a previously unreported activity that should have been reported, change in the circumstance of a previously reported activity, change in a financial interest, familial relationship, or legal commitment, change in regional center position or duties, or change to outside position or duties.

8. **Review of Executive Director and Board Member COI Reporting Statements.** The SG/PRC Board shall submit copies of the completed COI Reporting Statements of the members of the Board and the Executive Director to DDS within 10 days of receipt of the completed Statements. DDS and the SG/PRC Board shall review the COI Statement of the SG/PRC Executive Director and each Board member to determine whether the Statement identifies a Present or Potential COI.
9. **Review of Employee, Contractor, Agent, and Consultant COI Reporting Statements.** The Executive Director or acting Executive Director shall review the COI Reporting Statement of each SG/PRC Employee, Contractor, Agent, and Consultant within 10 days of receipt of the Statement and determine whether the Statement identifies a Present or Potential COI. The COI Reporting Statements shall be maintained in the Executive Director's office.
10. **Declaration Under Penalty of Perjury.** COI Reporting Statements shall be dated, signed, and contain a declaration under penalty of perjury, that the SG/PRC Executive Director, Board member, Employee, Contractor, Agent or Consultant has:
 - a. No Present or Potential COI;
 - b. A Present COI;
 - c. A Potential COI; or
 - d. Both a Present and Potential COI.

B. Conflict Resolution Plans. (Title 17, Section 54533)

When a Present or Potential COI is identified for a Board member, Executive Director, Employee, Contractor, Agent or Consultant, the Present or Potential COI shall be either eliminated, or mitigated and managed through a Conflict Resolution Plan, or the individual shall resign his or her position with SG/PRC or the Board.

1. **SG/PRC Employees, Contractors, Agents and Consultants.**
 - a. When a Present or Potential COI has been identified by the Executive Director, or independently by DDS, for a SG/PRC Employee, Contractor, Agent or Consultant, SG/PRC shall submit a copy of the completed COI Reporting Statement and a proposed Conflict Resolution Plan, in accordance with the parameters set forth in Title 17, Section 54533(g),

for eliminating or mitigating and managing the Present or Potential COI, to DDS within 30 days of receipt of the completed COI Reporting Statement, or within 30 days of receipt of DDS's notification.

- b. DDS shall determine whether the proposed Conflict Resolution Plan is sufficient or needs to be modified to adequately eliminate, or mitigate and manage, the Present or Potential COI. DDS may impose additional restrictions and additional obligations to the proposed Conflict Resolution Plan and/or make a determination that further information is required. DDS is responsible for making the final decision as to what conditions, restrictions, obligations, or actions, if any, shall be imposed or taken by SG/PRC and/or the individual(s), to eliminate, or mitigate and manage, the Present or Potential COI.
- c. If the proposed Conflict Resolution Plan of an Employee, Contractor, Agent or Consultant is denied by DDS, the individual shall have 30 days from the date of receipt of DDS's written denial in which to take the necessary action to eliminate the COI or resign his or her position as an Employee, Contractor, Agent or Consultant. DDS may, in exercise of its discretion, grant the individual an extension in which to complete any actions necessary to eliminate the COI.
- d. If the proposed Conflict Resolution Plan is approved by DDS, the approved Conflict Resolution Plan shall be implemented not later than 30 days after written notification is mailed by DDS, unless DDS grants the individual(s) an extension in which to complete any actions necessary to implement the approved Conflict Resolution Plan.
- e. The submission of a proposed Conflict Resolution Plan does not authorize an individual with a Present or Potential COI to engage in any activity that constitutes a Present or Potential COI. The proposed Conflict Resolution Plan must be approved, in writing, by DDS, and the Conflict Resolution Plan fully implemented prior to the individual engaging in otherwise prohibited conduct.
- f. DDS's approval of a proposed Conflict Resolution Plan is not valid unless it is based upon full disclosure of all relevant information. Nondisclosure or misrepresentation of a Present or Potential COI or of material information bearing on the proposed Conflict Resolution Plan decision shall result in DDS's rescission of its approval in addition to any civil penalties imposed pursuant to Welfare and Institutions Code section 4626.

2. Conflict Resolution Plans for SG/PRC Executive Director and Board Members.

- a. When a present or potential COI has been identified by the SG/PRC Board, or has been independently identified by DDS, for a Board member or the Executive Director, the Board shall submit a copy of the completed COI Reporting Statement and a proposed Conflict Resolution Plan, in accordance with the parameters set forth in Title 17, Section 54533(g), for eliminating or mitigating and managing the Present or Potential COI, to DDS and to the State Council within 30 days of receipt of the completed COI Reporting Statement, or within 30 days of receipt of DDS's notification.
- b. Not later than 90 calendar days after the State Council receives copies of the completed COI Reporting Statement and the proposed Conflict Resolution Plan for a SG/PRC Board member or Executive Director, the State Council shall provide to DDS their written approval or disapproval of the proposed Conflict Resolution Plan. If the State Council fails to provide DDS with its written approval or disapproval of the proposed Plan within that timeframe, DDS alone may make the decision to disapprove the proposed Plan. DDS shall not approve a proposed Conflict Resolution Plan without the approval of the State Council.
- c. DDS shall determine whether a proposed Conflict Resolution Plan is sufficient or needs to be modified to adequately eliminate, or mitigate and manage, the Present or Potential COI. DDS may impose additional restrictions and additional obligations to the proposed Conflict Resolution Plan and/or make a determination that further information is required. DDS is responsible for making the final decision as to what conditions, restrictions, obligations, or actions, if any, shall be imposed or taken by the SG/PRC Board, SG/PRC, and/or the individual(s), to eliminate, or mitigate and manage, the Present or Potential COI.
- d. If the proposed Conflict Resolution Plan of a SG/PRC Board member or Executive Director is denied by DDS and/or the State Council, the Board member or Executive Director shall have 30 days from the date of receipt of DDS's written denial in which to take the necessary action to eliminate the COI or resign his or her position as a Board member or Executive Director. DDS may, in exercise of its discretion, grant the Board, Board member, Executive Director or SG/PRC, an extension in which to complete any actions necessary to eliminate the COI.
- e. If the proposed Conflict Resolution Plan is approved by DDS, the approved Conflict Resolution Plan shall be implemented not later than 30 days after written notification is mailed by DDS, unless DDS grants the SG/PRC Board, SG/PRC and/or the individual(s), an extension in which to complete any actions necessary to implement the approved Conflict Resolution Plan.

- f. The submission of a proposed Conflict Resolution Plan does not authorize an individual with a Present or Potential COI to engage in any activity that constitutes a Present or Potential COI. The proposed Conflict Resolution Plan must be approved, in writing, by DDS, and the Conflict Resolution Plan fully implemented prior to the individual engaging in otherwise prohibited conduct.
- g. DDS approval of a proposed Conflict Resolution Plan is not valid unless it is based upon full disclosure of all relevant information. Nondisclosure or misrepresentation of a Present or Potential COI or of material information bearing on the proposed Conflict Resolution Plan decision shall result in DDS's rescission of its approval in addition to any civil penalties imposed pursuant to Welfare and Institutions Code section 4626.

3. Other Rules Regarding Conflict Resolution Plans.

- a. To promote transparency, SG/PRC shall post on its internet website each completed COI Reporting Statement that identifies a Present or Potential COI that cannot be resolved within 30 days of receipt by the Board or the Executive Director, or within 30 days of receipt of DDS's notification that it has independently identified a Present or Potential COI. The completed COI Reporting Statement shall remain on SG/PRC's internet website until the Present or Potential COI has been eliminated, or the individual has resigned his or her regional center position.
- b. A new proposed Conflict Resolution Plan shall be submitted to DDS on an annual basis and upon any change of status that creates a Present or Potential COI.
- c. The SG/PRC Board and/or SG/PRC shall retain a copy of each COI Reporting Statement and any approved Conflict Resolution Plan for the period of time consistent with the record retention requirements in its State contract.

4. Sanctions

- a. If an SG/PRC Executive Director, Board member, Employee, Contractor, Agent, or Consultant has any questions about whether he or she may have a Present COI or Potential COI under the WIC Code or Title 17, he or she should bring them to the attention of the SG/PRC Board or Executive Director immediately. The failure to do so could result in sanctions against SG/PRC by DDS, or an employee or Executive Director's termination from employment, or a Board member's

removal from the Board.

- b. Civil Penalties. A person who knowingly provides false information on a COI Reporting Statement shall be subject to a civil penalty in an amount up to fifty thousand dollars (\$50,000), in addition to any civil remedies available to DDS. An action for a civil penalty may be brought by DDS or any public prosecutor in the name of the people of the State of California.
- c. DDS Sanctions. (Title 17, Section 54535)
If DDS finds an SG/PRC Executive Director, Board Member, Employee, Contractor, Agent or Consultant in violation of the regulations regarding COI located at Title 17, Section 54500 and following, DDS shall:
 - (1) Immediately inform the party or parties in writing of such violation, including the supporting facts or information upon which the determination of violation was made; and
 - (2) Require that the party or parties take appropriate action, within 30 days of the notice of violation, to resolve COI or otherwise eliminate the violation. DDS may extend this 30-day period only once and for a period not to exceed 30 days.
 - (3) If the violation is not resolved or eliminated within the 30 days provided, and no extension of time has been granted by DDS, DDS may take immediate action to:
 - (a) Commence procedures for termination or non-renewal of SG/PRC's contract pursuant to the Welfare and Institution Code.

The State Council shall be notified of the action.

- 5. **Policy Review**. The SG/PRC Board shall review/update and approve this COI Policy on an annual basis.

Originated: June 2011
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