

Chapter 9: Conflicts of Interest (Updated May 19, 2011)

A conflict of interest may arise for loan applicants, contractors, suppliers, and for buyers of real property. This section applies to any person who is an employee, agent, consultant, officer, or elected official, or appointed official. The general rule is that no person who exercises or has exercised any functions or responsibilities with respect to activities assisted with grant funds or who is in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from the activity, or have an interest in any contract, subcontract or agreement or the proceeds whether for themselves or those with whom they have family or business ties, during their tenure and one year thereafter.

Family includes: Spouse, fiancée/fiancé, children and children-in-law, brothers and brothers-in-law, sisters and sisters-in-law, parents and parents-in-law, and/or anyone who receives more than 50% of their annual support from the person (e.g., adopted child, foster child).

No City official or employee, whether paid or unpaid, shall engage in any business or transaction or shall act in regard to financial or other personal interest, direct or indirect, which is incompatible with the proper discharge of his/her official duties in the public interest contrary to this article or which would tend to impair his independence of judgment or action in the performance of his official duties.

Following are steps to use to determine a potential conflict of interest:

- Identify covered persons.
- Add conflict of interest question to all applications and program forms.
- Inform applicants with potential conflict of interest that there will be public disclosure of their name.
- Publish "Conflict of Interest Publication Notice" one time on the Racine Journal Times.
- Submit an Affidavit of Publication of the Notice and a letter giving a brief narrative of the situation to the Loan Board of Review and City Attorney for review. City Attorney shall provide written opinion on the matter to be forwarded to HUD for final decision. No closing documents shall be signed until waiver is received.

Factors considered for an Exception to the requirements:

- Whether the person affected is a member of class of low-income person intended to be the beneficiaries of the assisted activity, and the exception will permit such person to receive the same interests or benefits as are being made available to the group or class;
- Whether the affected person has withdrawn from his/her functions/responsibilities or the decision-making process with respect to the specific assisted activity in question;
- Whether undue hardship will result either to the grantee or the person affected when weighted against the public interest served by avoiding the prohibited conflict;
- Any other relevant factors.

Sample conflict of Interest Publication Notice:

The City of Racine, hereby discloses its intention to make (**loan/grant/purchase**) of (**\$xx,xxx**) from the (**CDBG, HOME, NSP**) program to (**Name of Applicant**) for the purpose of (**home purchase, home improvement loan**). (**Name of applicant**) is the (**relationship**) of a(n) (**employee/board member**) of the City of Racine. The (**employee/board member**) does not participate in the approval process for the (**loan/grant/purchase**). Comments concerning this notice will be accepted no later than ten (10) days after publication of this notice to: City of Racine, Assistant Director of City Development, 730 Washington Avenue, Room 102, Racine, Wisconsin 53403.

More detailed information regarding the City of Racine's Code of Ethics can be found in the Municipal Code, Chapter 2, Article VII, Code of Ethics. Refer to 24 CFR 570.489(h) & 24 CFR 570.611 for additional information when Federal funding is involved.



City of Racine

Department of Housing – 730 Washington Avenue, Room 102
Racine, Wisconsin 53403
Phone (262) 636-9197
Fax (262) 635-5347

Conflict of Interest Disclosure

Family includes: Spouse, fiancée/fiancé, children and children-in-law, brothers and brothers-in-law, sisters and sisters-in-law, parents and parents-in-law, and/or anyone who receives more than 50% of their annual support from the person (e.g., adopted child, foster child).

1. Are you or any family member an employee of the City of Racine? ___Yes ___No If yes, please indicate what department and position held. _____

2. Are you or any family member an elected or appointed official of the City or Racine? ___Yes ___No If yes, please indicate what position is held. _____

3. Are you or any family member a member of any City of Racine board, committee, commission, or authority? ___Yes ___No If yes, please indicate positions held. _____

4. Are you or any family member a consultant, contractor, or agent with the City of Racine? ___Yes ___No If yes, please indicate position held. _____

The above information provided is true and correct.

Signature

Date

Signature

Date

If you answered yes, there may be a requirement to publish information regarding your transaction related to doing business with the City of Racine Housing Department as a legal notice in the Racine Journal Times. Please contact the Assistant Director of City Development with any questions regarding this requirement, 262.636.9477.