July 19, 2000

(SN 5)

WIA BULLETIN NO. 5-00

TO: WIA Partners

SUBJECT: Conflict of Interest

PURPOSE

The purpose of this bulletin is to provide guidance on conflict of interest provisions relating to workforce investment boards under the Workforce Investment Act (WIA).

BACKGROUND

Questions have arisen regarding the appropriateness of State and Local Workforce Investment Board members participating in discussions and/or voting on issues that relate to the provisions of services by those members.

Boards, Councils, or Committees that are established by the State or counties for the purposes of WIA must adhere to the WIA statutory and regulatory requirements regarding conflict of interest.

POLICY

20 CFR Part 667 of the Interim Final Rule for WIA sets forth the administrative provisions that must be followed. In part, these Rules state the following:

Section 667.200(a)(4)(i) A State Board member or a Local Board member must neither cast a vote on, nor participate in, any decision-making capacity on the provision of services by such member (or any organization which that member directly represents) nor on any matter which would provide any direct financial benefit to that member or a member of his immediate family.
Section 667.200(a)(4)(ii) Neither membership on the State Board, the Local Board or the Youth Council nor the receipt of WIA funds to provide training and related services, by itself, violates these conflict of interest provisions.

PROCEDURES

State and Local Board Chairs and staff should ensure that board meetings are conducted in compliance with the above requirements.

It is especially important that meetings pertaining to the procurement of goods and services be conducted in a manner that precludes giving board members an unfair advantage over other potential bidders.

INQUIRIES

Questions regarding this bulletin should be directed to Ms. Judy Gordon, Department of Labor and Industrial Relations Workforce Development Division, at (808) 586-9064.

Lorraine H. Akiba, Director
Department of Labor and Industrial Relations