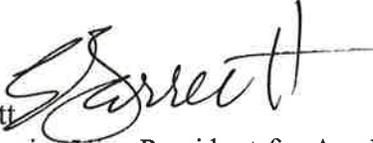




MEMORANDUM

To: All Employees

From: Elizabeth Garrett 
Provost and Senior Vice President for Academic Affairs

Todd R. Dickey 
Senior Vice President for Administration

Date: August 24, 2012

Subject: Updated USC Conflict of Interest Policies

As part of USC's ongoing commitment to the highest standards of ethical behavior in our professional behavior, business practices, and conduct of research, the University has issued two updated conflict of interest policies.

The **Conflict of Interest in Professional and Business Practices** policy (formerly the "Conflict of Interest and Ethics policy") applies to all employees and addresses conflicts that arise from outside obligations, financial interests, employment, and certain family or intimate relationships that may conflict with an employee's primary duty of professional loyalty to USC.

The **Conflict of Interest in Research** policy applies to those who propose, conduct or report research on behalf of the university, regardless of funding source.

All disclosures of conflicts of interest should be made via "diSClose" (disclose.usc.edu), USC's new on-line system for making conflict disclosures. Training on how to use diSClose may be accessed at <http://ooc.usc.edu/Conflict-Interest-Research>.

Highlights of the new policies include:

Conflict of Interest in Professional and Business Practices

- All conflict disclosures must be made via diSClose.
- Direct or indirect reporting relationships between family members are unacceptable unless managed consistent with the policy. Management requires advance disclosure before a family member is hired, documentation that there has

been an open search for the position and that the family member is the most qualified for the position, and a management plan requiring independent performance evaluations and salary setting or salary increases.

- A committee of staff and faculty representatives will review certain business conflict arrangements described under the policy (such as arrangements where a USC employee has a financial interest in a company seeking to do business with the university).
- A description of certain unacceptable conflicts, such as:
 - Actions that may seem to commit the University to an endorsement of a business, commercial product, or political position unless expressly authorized in advance by the Provost;
 - Gifts and reimbursements from potential and existing vendors and suppliers;
 - Participating in any transaction between the University and an outside entity in which a faculty or staff member has a financial interest or consulting relationship;
 - Unauthorized use of university proprietary information and resources; and
 - Competing with the University on behalf of an outside entity or organization.

In the coming weeks, the Office of Compliance will be providing education and training to faculty and staff on the Conflict of Interest in Professional and Business Practices policy. To arrange for a live session on the requirements of the new policy, contact the Office of Compliance at complan@usc.edu or (213) 740-8258.

Conflict of Interest in Research

- Annual financial disclosures are **required** by all researchers who propose or conduct HHS (NIH, CDC, HRSA, AHRQ) supported research. These disclosures must include all financial interests related to the researcher's professional responsibilities to USC, including research, teaching, clinical practice, and committee service.
- Financial interests that must be disclosed include outside equity interests, payments for services, management roles, travel sponsorship/reimbursement, and certain intellectual property rights.
- When a conflict exists on HHS-supported research, the university has to provide specific detail on the nature of the conflict and how it is being managed to the sponsor and public (upon request).
- Conflict thresholds are lowered from \$10,000 to \$5,000 when a financial interest relates to USC research.

- Promotional speaking is prohibited when a conflict exists.
- HHS-supported researchers must complete conflict of interest training at least once every four years.

In addition, certain types of conflicts will continue to be closely scrutinized (e.g., conflicts arising out of equity interests, that relate to human subjects research, or that involve students), and require a greater showing on the part of the researcher with the conflict before the research may proceed.

If you have any questions about either of these policies or your obligations under them, please contact the Office of Compliance at (213) 740-8258, or complian@usc.edu.