

This is the first issue of a quarterly newsletter for DAI employees around the world on important ethical issues and appropriate action.

The topic this quarter is personal conflicts of interest, an area that often raises questions in recruitment, procurement, and grant making. We need to anticipate and avoid situations and relationships that could prevent us from using unbiased, professional judgment when performing our responsibilities. We are providing this information to help ensure that you do not participate in activities that could compromise what is best for DAI and the project, or that could be perceived as sacrificing integrity for personal gain.

The scenarios described actually occurred at DAI but have been edited to avoid identifying people or projects. Please review these examples to help make the right decisions if you are confronted with a similar situation. In some instances, you may need to remove yourself from the situation to completely avoid any real or perceived conflict. Further, certain people are asked to submit an annual register or disclosure of relationships form.

If your intuition is raising concerns about possible bias or unfairness, you should feel comfortable raising the concern to your supervisor, Chief of Party/Team Leader, his or her deputy, the Ethics & Compliance Officer, or the DAI ethics hotline. Please also reach out to me with any questions, concerns, or suggestions.

Michael F. Walsh  
Chief Ethics and Compliance Officer

## Conflicts of Interest: Where Do You Draw the Line?

As defined in the *Code of Business Conduct and Ethics*, an actual or potential personal conflict of interest occurs when an individual's personal interest biases his or her professional judgment. You must not put yourself in a position where decisions or actions could be influenced by outside employment, directorships, close personal relationships, or family ties.

### Case 1

A DAI employee has a close friend who recently lost his job at another company. The friend asked the DAI employee to help him get a recently advertised position on the DAI project.

#### *Appropriate Action*

The employee encouraged his friend to submit his application, but explained that he could not be involved in the hiring process. He also took a copy of his friend's resume to the HR Manager and informed her that he is a friend of the applicant. At this point, the DAI employee removed himself from the process and did not try to unduly influence the people involved with the selection process.

### Case 2

An ethics hotline report raised concerns of a conflict of interest for a DAI employee who helped a community-based organization prepare a proposal for a grant that was not managed by DAI.

#### *Appropriate Action*

As DAI was not involved with the project that the organization was applying to, this does not technically qualify as a conflict of interest; nonetheless, the external activities of the DAI employee raised concerns which should be addressed. DAI employees must obtain approval before beginning an outside employment, business, or consulting engagement with another company or organization. The supervisor must also document the meeting on this issue and put the record of the approval in the employee's file.



## Conflict of Interest Quick Tips

### **Employee action required:**

Be aware of real or potential conflicts of interest that may arise while performing your job.

Disclose real or potential conflicts of interest to your supervisor, Team Leader, Chief of Party, or Ethics & Compliance Officer.

You may be asked to complete disclosure of relationship forms annually and/or when you are participating in selection of subcontractors, grantees, or employees. Transparency in disclosing relationships is the best way to manage and avoid the appearance of a conflict of interest.

### **Supervisor action required:**

Anticipate and exercise professional judgment to identify and manage real or potential conflicts. You may determine there is no conflict of interest, remove the employee from the situation to avoid the potential conflict, or consult further with the COP or Team Leader in seeking advice. Be sure to document the conversation, including a summary of the situation, recommendations, and decisions—and file it appropriately.

### **Contact Information**

If you have any questions or concerns about behavior related to the *Code of Business Conduct and Ethics*, talk with your supervisor. You can also send an email to [ethics@dai.com](mailto:ethics@dai.com), call the ethics hotline at +1-503-597-4328, or visit the ethics website at [www.dai.ethicspoint.com](http://www.dai.ethicspoint.com). You can also reach out directly to Jeremy Finch, DAI Europe, Head of Internal Audit and Ethics & Compliance Officer ([jeremy\\_finch@dai.com](mailto:jeremy_finch@dai.com), +44-1442-915616 or +44-7834439974), or Mike Walsh, Chief Ethics & Compliance Officer ([mike\\_walsh@dai.com](mailto:mike_walsh@dai.com), +1-301-771-7998).

## Case 3

A DAI project was unable to find a qualified specialist to conduct a study that had been on the workplan since last year. When the newly hired technical lead learned of this requirement, he informed the Team Leader that his spouse may be a suitable candidate, but he raised concerns about an appearance of a conflict of interest (favoritism).

### **Appropriate Action**

Generally, it is very difficult to avoid the appearance of favoritism when the spouse of an employee is hired as a consultant. The project immediately consulted the Ethics & Compliance Officer. In this case, the requirement for the specialist was part of a workplan that was developed and approved before the arrival of the new technical lead; therefore, it did not appear that he created the position for his spouse. The project also took extra effort and immediately documented additional efforts to keep the technical lead out of any review or approval process. Oversight of the work, approval of deliverables, and requests for additional time and effort were done by the Chief of Party.

## Case 4

It is widely known that a DAI employee retains partial ownership in a firm that has been a subcontractor with DAI before. The employee asked the Ethics and Compliance Officer under what circumstances his firm can compete for subcontracts.

### **Appropriate Action**

The Ethics and Compliance Officer explained to the employee that his firm would only be eligible under limited circumstances when he or his subordinate did not plan or develop the subcontract requirement and will not be involved in evaluating proposals, overseeing the work, or accepting deliverables or performance. This information was shared with the project and documented in the files.

DAI's *Code of Business Conduct & Ethics* is found at <http://dai-global-conduct.com>.

This issue is located at: <http://dai-global-conduct.com/integrity/preventing-conflicts-of-interest/bias/>