



ETLWDB  
WORKFORCE INNOVATION AND  
OPPORTUNITY ACT  
POLICY MANUAL

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Effective: Immediately

**SUBJECT: CONFLICT OF INTEREST**

APPROVED:

**Purpose**

This policy is established to provide direction to sub-recipients, contractors, staff, and board members of the East Tennessee Local Workforce Development Board (ETLWDB) in its conduct of business within guidelines that will prevent any actual, potential, or questionable conflicts of interest. This policy serves to ensure that Local Board members or workforce system staff will not personally or professionally benefit from a service that would provide direct financial benefit to such member or the immediate family of such member.

**Background**

A conflict of interest arises when an individual's interest impairs, or gives the appearance of impairing, his or her ability to make unbiased decisions or provide unbiased public services. Each grant recipient and sub-recipient must ensure that no individual in a decision-making capacity engages in any activity if a conflict of interest is involved, even if only a perception of impropriety or conflict of interest exists. This includes decision-making that involves the selection, award, or administration of a grant, sub- grant, or contract supported by Workforce Innovation and Opportunity Act (WIOA) funds. Safeguards must be in place to ensure that all those served in the program are not only eligible and suitable but also protected from even the perception of impropriety or conflict of interest.

**Definitions**

- A. Financial interest means ownership by a member of five percent (5%) or more of the stock of a corporation or any other business entity, or where the company is a business entity, which does not use stock or ownership, the legal or beneficial ownership of five percent (5%) or more of the business. This interest applies to the member or the member's relatives. For the purposes of this policy, a relative includes spouses, parents, siblings, or children.
- B. Personal interest means an interest in any contract, employment, or work in which the member has a public duty to vote for, let, overlook, or in any manner to superintend any work or any contract which comes before the Board or workforce system staff member.
- C. Close relationship: the applicant's prior and/or present social interactions and/or business dealings with stakeholders of the workforce development systems gives a reasonable observer cause to believe that the applicant's access to WIOA program services would be based upon this relationship, as opposed to demonstrated need.
- D. Family member: parents, step-parents, spouse, domestic partner, children, step-children, foster children, siblings, grandchildren, grandparents, and any immediate relatives by blood or marriage (i.e., in-laws, cousins, nieces, nephews, aunts, and uncles)

- E. Stakeholders: individuals not related but have direct or indirect management or responsibility for managing the WIOA workforce system (i.e., local elected officials, workforce board members and subcommittee members, WIOA executive staff and supervisors, WIOA employees, one-stop partner staff, and WIOA sub recipients and/or contractors (career service providers))

## Policy & Instructions

### A. Providing Services to Participants Funded under the WIOA Program

The WIOA program is not an entitlement program. However, training and services should be accessible to any individual who is eligible and suitable for available services subject to the policies and procedures of ETLWDB. When applicants have a close relationship with WIOA staff members (including management and other specific stakeholders of the workforce development system), access to program services should not be based on such relationships or on political influence. It is possible that, even without any intention to misuse WIOA funds, a decision to enroll an individual in the program could be perceived as improper. Such a perception could cause noncompliance with state and/or federal law.

The East Tennessee Local Workforce Development Board determines that in no instance shall any person determine eligibility, assess, or directly serve a family member or individual with whom a close relationship exists. Stakeholders within the local workforce system shall not use their position to influence a decision to enroll an individual in the WIOA program.

### B. Workforce System Staff

- Workforce system staff will not engage in conduct which impairs, or gives the appearance of impairing, the ability to make an unbiased decision or provide unbiased public service.
- When a workforce system staff has a close relationship to a program applicant or participant, access to program services should not be based on such relationship or based on political influence.
- Determination of applicant eligibility or program benefit (training, gas card, money etc.) shall not be made by a staff member who is related to the applicant or close personal acquaintance of the applicant.
- Documentation will be maintained in the participant file indicating that participant eligibility was not determined by a staff member who is related to the applicant or close personal acquaintance of the applicant.
- Administrative Board staff will not direct day-to-day services at the career centers.

### C. Program Procedures

1. Prior to enrollment in WIOA, as a part of the intake process, all applicants shall complete the Conflict of Interest Disclosure for Participant form (see attachment) to disclose if they have a close personal relationship with program staff, agency employees, service provider staff, or any of the other stakeholders listed below:

- Local Elected Officials
- Local Workforce Development Board members
- Local Workforce Development Board subcommittee members
- WIOA executive staff and supervisors
- American Job Center partner staff

All stakeholders also have a duty to inform the service provider's management team when a person



with whom they have a close personal relationship is applying for services. Such stakeholder shall initiate removal from any involvement in the case.

2. The Conflict of Interest Disclosure for Participant form must be maintained in the participant's electronic case file.
3. Should an applicant disclose a close personal relationship with any of the above, such disclosures must be submitted to a member of the service provider's management team for approval prior to enrollment.
4. The service provider must submit an electronic copy of the approval to the ETLWDB Chief Program Officer with an accompanying electronic statement that documents the internal controls that will be implemented to manage the individual's case to avoid a conflict of interest.
5. The service provider's management team will remove a staff member from any assignment involving a customer with a close relationship and will ensure that the customer is assigned to a staff member having no potential conflict of interest.
6. Any service provider form that grants funding to or on behalf of a participant must include a uniform disclosure stating the staff member making the determination and signing the form is not related to the participant nor is a close personal acquaintance of the participant.
7. If a member of the service provider's management team is the subject of the potential conflict of interest, then this responsibility will lie with the ETLWDB Chief Program Officer.
8. The service provider must maintain a list of disclosed conflicts of interest on file for presentation to any local, state, or federal monitoring entity.
9. New service providers will receive training on this policy during implementation of their contract. The service provider's management team (or designee) will be responsible for training new service provider staff on this policy as a part of their new hire training.

#### **D. Local Workforce Development Board**

- A member will advise the board of any potential conflicts of interest and will provide the local board chairperson with a written declaration of all substantial business interests or relationships such board members, or their immediate families, have with all businesses or organizations that have received, currently receive, or are likely to receive contracts or funding from the local board. Such provisions should be made to the local board prior to the member taking office.
- The board will appoint an individual to review the disclosure information in a timely manner and to advise the local board chairperson and appropriate members of potential conflicts.
- A member will ask the board for an opinion if there exist any doubts whether or not specific situations involve a conflict of interest.
- The vote of any such member having a conflict of interest who does not so inform the Board of such conflict may be voidable if challenged. When a challenge is made, the Board will investigate the matter, determine whether a conflict exists, and decide what should be done given the circumstances.
- Prior to the transaction of business that will require a vote by the Board, all members will be reminded to disclose their financial or personal interest in accordance with the Conflict of Interest Policy.
- Any member, upon determining that a matter taken up by the Board presents a conflict of interest under this policy will immediately notify the presiding officer and publicly acknowledge such conflict.

- Any member will recuse himself/herself from official LWDB duties if a real or potential conflict of interest is involved
- A member will not engage in conduct which impairs, or give the appearance of impairing, the member's ability to make an unbiased decision or provide unbiased public service.
- A member will not knowingly take an action that might prejudice his or her ability, or another member's ability, to make an unbiased decision on any matter in which the member or the member's relative have a financial or personal interest.
- A member will abstain from voting on any matter involving a person or entity in which the member or the member's relatives have a financial or personal interest. All such abstentions must be recorded.
- A member who is employed by, or has contracted to provide services to a person or entity seeking specific approval or action, will abstain from voting on the approval or action. All such abstentions must be recorded.
- A member will not participate as an expert witness in a contested case before the Board.
- A member will not solicit or accept any gift, gratuity, favor, entertainment, loan, or unusual discount from any person or entity that has obtained or is seeking to obtain a decision on any matter for the Board. This prohibition does not include items of insignificant value routinely given in the ordinary course of business.
- A member will not accept honoraria or other compensation for activities, which are, or should be, performed as part of one's official duties, except as provided by the State of Tennessee Comprehensive Travel Regulations.
- Board Members and its administrative staff will not direct the daily activities of career centers.

**E. Documentation**

Training will be provided to existing Board members and new members as they join the Board. Board staff will receive training on internal conflicts of interests as a part of their new hire orientation. Documentation will be maintained regarding potential conflicts as provided on the Conflict of Interest Disclosure forms from the Local Workforce Development Board members. Documentation will be available for review as necessary.

*References*

WIOA Section 107(c)(3)(A), WIOA Section 107(d), 20 CFR 679.430, 20 CFR 683.200(c)(5)(i-iii) refers to 2 CFR 200.318, Workforce Services Policy - Conflict of Interest

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Employee/Board Member

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Date





Conflict of Interest Disclosure for Workforce Innovation and  
Opportunity Act Customers

In accordance with Workforce Services Conflict of Interest Policy, the local workforce development system must ensure that individuals or representatives entrusted with public funds will not personally benefit from the award or expenditure of such funds. This form is used as a method to prevent a conflict of interest by assuring that staff and members of the workforce development system do not provide incur a conflict of interest in providing direct services during the intake and eligibility determination for WIOA Title I participation.

1. Does the prospective or active customer have a relative or close acquaintance that is currently employed at the American Job Center?

NO

YES Name \_\_\_\_\_

2. Does the prospective or active customer have a close relationship with or relative(s) who is/are currently a local elected official?

NO

YES Name \_\_\_\_\_

3. Does the customer have a close relationship with or relative(s) who is/are a member of the East Tennessee Local Workforce Development Board or its administrative staff?

NO

YES Name \_\_\_\_\_

I hereby acknowledge that the information provided is true to the best of my knowledge.

Customer Printed Name \_\_\_\_\_

Customer Signature \_\_\_\_\_ Date \_\_\_\_\_

Staff Signature \_\_\_\_\_ Date \_\_\_\_\_