

## Conflicts of Interest

### 1.0 Policy

The mission of Caltech is to expand human knowledge and benefit society through research integrated with education. In pursuit of this mission, Caltech adheres to its [Code of Conduct](#) and strives for the highest level of integrity and public confidence. Caltech's integrity rests on the personal integrity of each of us who is called upon to act on behalf of Caltech. Caltech, including JPL, is committed to ensuring that decisions made on its behalf reflect the highest ethical standards and that its research and instruction remain a rigorous and open inquiry, unencumbered by conflicts of interest, real or perceived, that might affect the sound judgment of its trustees, officers, senior management, faculty, students, postdoctoral scholars, staff, JPL employees and affiliates, and visitors. Each of us, therefore, is responsible for identifying and resolving conflicts between personal and institutional interests. We each must act in the best interests of Caltech and refrain from taking part in any transaction where we do not believe, in good faith, that we can act fairly and impartially.

Personal and Institutional conflicts of interest may affect Caltech's trustees, officers, faculty, postdoctoral scholars, students, staff, JPL employees and affiliates, and visitors. A personal conflict of interest is a situation that may compromise an individual's personal judgment and ability to remain objective in carrying out Caltech business due to a relationship that directly or indirectly affects the interest of the individual or a Family Member<sup>1</sup>.

Institutional conflicts of interest differ from personal conflicts of interest. An institutional conflict of interest arises when the research, teaching, outreach, or other activities of Caltech may be compromised because of a financial, business or other interest held by Caltech that may affect, or appear to affect, research, teaching, outreach, or other Caltech activities in question.

Caltech has established its conflict of interest policies and procedures that apply to all Caltech employees, including faculty, to ensure compliance with Caltech's ethical standards as well as with the laws, rules, and regulations that govern Institute activities, while fostering and sustaining an environment of openness and integrity.

### 2.0 Personal Conflicts of Interest

Each situation that presents an actual or potential for conflict of interest must be fully disclosed to Caltech and be avoided, adequately managed, or eliminated before moving forward. Conflicts of interest also include conflicts of commitment, which are situations in which outside activities, either paid or unpaid, interfere with an employee's primary obligation and commitment to Caltech. While everyone should take care to avoid conflicts of commitment, there are special considerations, including required disclosures of outside activities, affiliations, and appointments, that may apply to those performing federally-sponsored research at Caltech. Federal agency and private research sponsors have an interest in ensuring that researchers

---

<sup>1</sup> Under Federal sponsor conflict of interest requirements, family member is defined as spouse, domestic partner, or children.

supported on their awards devote appropriate time and effort to funded research activities and that their specific dedicated time and effort is not diverted to other activities. The Division Chairs and the Office of Research Compliance at Campus and the Ethics Office at JPL serve as resources for questions concerning whether a particular outside activity being considered may pose a conflict of interest or commitment.

Faculty, postdocs, visiting researchers, staff, and JPL employees are required to comply with this policy and must complete Caltech's Financial Interest and Commitment Disclosure Form within 30 days of hire and on an annual basis. Changes or additions to responses on the form must be submitted within 30 days of acquiring a new interest, or beginning an activity, or any change in interests or activities previously disclosed.

In academic research, the term conflict of interest refers especially to situations in which financial or other personal considerations may compromise, or may have the appearance of compromising, an investigator's professional judgment in conducting or reporting research. Biases can affect collection, analysis, and interpretation of data, hiring of employees, procurement of materials, sharing of results, choice of protocol, and the use of statistical methods. Conflicts of interest can affect all scholarly fields.

The broad principles in this policy encompass a variety of situations, many of which do not fall into patterns for which specific guidelines may be established. Conflicts of interest inevitably arise from time to time in everyday business life; some may appear to be inconsequential or may even be advantageous to Caltech. It is important, however, that all employees make timely and accurate disclosure of covered financial interests and outside activities. Each employee should apply their sense of integrity and common sense to disclose any circumstances that are, may become, or may give the appearance of a possible conflict of interest. Supplementing this broad policy statement are the following rules to be observed on specific matters:

- 2.1 Each employee has a duty to act in the best interest of Caltech and avoid actions that would call into question the integrity of the employee or Caltech.
- 2.2 An employee who directly has, or through family or business connections, a Material Financial Interest<sup>2</sup> in suppliers of goods or services, or an interest in entities doing business or seeking to do business with Caltech, should not act on behalf of Caltech in any transaction involving that interest. Employees shall not participate in the evaluation, selection, award, or administration of a contract or other agreement with any entity with whom employment or potential employment or other business arrangement is occurring or actively being considered.
- 2.3 An employee should avoid outside activities involving obligations that may conflict or appear to conflict with Caltech interests, including its interest in the employee's full- or part-time services (i.e., a conflict of commitment). Outside activities requiring disclosure include, but are not limited to, paid or unpaid directorships, external academic appointments, editorial positions, service on advisory boards, consulting or similar arrangements, and other outside employment. Campus staff and JPL employees and postdoctoral scholars are required to obtain approval prior to engaging in outside activities. Campus staff and postdoctoral scholars must complete the [Request for Outside Activity](#) form electronically as required in [Personnel](#)

---

<sup>2</sup> Material Financial Interest is any direct or indirect ownership interest in a business (regardless of legal form) or income from a business that, to the best of your knowledge, sponsors your work, licenses Institute technology, is anticipated to be a subcontractor, or otherwise does business with the Institute.

[Memorandum PM 9-3](#). JPL Employees and JPL postdoctoral scholars should submit outside activity requests electronically and may contact the JPL Ethics Office for assistance.

- 2.4 To avoid the appearance of a conflict of interest, an employee should provide full disclosure of any business or financial enterprise or activity in which they are involved that might influence, or appear to influence, their official decisions or actions on Caltech matters.
- 2.5 An employee should refrain from personal activities that include, but are not limited to, the purchase or sale of securities, real property, or other goods or services in which they could use or might appear to have the opportunity to use, for personal gain, confidential information or special knowledge gained as a result of their relationship with Caltech.
- 2.6 Employees should refrain from the unauthorized disclosure of nonpublic information they have access to as a result of their position at Caltech and must not use nonpublic information accessed through the performance of a sponsored contract or other agreement for personal gain.
- 2.7 Employees must not use Caltech resources for their personal benefit or for the benefit of any other person. Incidental personal use of resources is authorized by Caltech. See [Acceptable Use of Electronic Information and Computing Resources Policy](#), and JPL Rules for requirements on incidental use and activities at JPL.
- 2.8 It is sound practice to discourage gifts and favors from persons or organizations with whom Caltech has a business relationship or with whom a business relationship is being considered. Personal gifts and gratuities exceeding a nominal value should be tactfully declined or returned to the offeror to avoid any appearance or suggestion of improper influence. Any employee involved in awarding or administering contracts or other agreements funded with Federal or other government funds should keep in mind that applicable laws contain prohibitions against soliciting or accepting gratuities, favors, or anything of monetary value from contractors or potential contractors. See the JPL Gifts and Gratuities policy for additional guidance on gifts at JPL.
- 2.9 Any employee doing business on behalf of Caltech with specific vendors should refrain from going on leisure trips with representatives of those vendors. Such trips are not appropriate, even when a staff employee pays a fee to the vendor to participate in such trips.
- 2.10 No employee should act in any Institute matter involving a Relative<sup>3</sup>, including, but not limited to, matters affecting a Relative's employment or evaluation or advancement at Caltech. The employment of Relatives as that term is defined in [Personnel Memorandum \(PM 9\)](#), is subject to the conditions and restrictions described in [PM 9](#), including the requirement to complete the Nepotism Evaluation process whenever a Relative of an employee is considered for employment with Caltech.

---

<sup>3</sup> For purposes of Caltech policy, relatives include an employee's parents, grandparents, spouse, domestic partner, children, brothers, sisters, in-laws, an individual with whom the employee has a significant personal relationship, and an individual who is a member of the employee's household, or who cohabitates with the employee.

In addition to making required disclosures, any employee who believes that they have other financial interests or activities that may conflict with these rules or otherwise create a conflict of interest, should make an appropriate disclosure. You may also report concerns about possible conflicts of interest on the part of others by calling the Campus Hotline at (626) 395-8787 or submitting a [hotline form](#). JPL employees should may also report concerns using the JPL Ethics Help line at (866) 405-7536. Further direction for JPL employees is available by reviewing Laboratory policies and requirements and seeking guidance and/or reporting conflict of interest concerns by contacting the JPL Ethics Office at (818) 354-6338 or email at [Ethics-Office@jpl.nasa.gov](mailto:Ethics-Office@jpl.nasa.gov).

### **3.0 Additional Faculty Responsibilities**

It is acknowledged that, in their wider roles as academicians and professionals, the faculty may be subject to conflicts of interest and commitment that are not within the scope of a policy that is designed to address conflicts of interest in the employer-employee setting. For example, this policy is not designed to address conflicts that may be encountered in service to a professional society or peer review of journal submissions or of research grant applications. Other activities not covered by this policy are best handled within the ethical guidelines established by the Faculty Handbook. Faculty members must be aware of potential conflicts to ensure an open and productive environment for research and teaching. Conflicts of interest may arise when faculty members have the opportunity to influence Caltech's business decisions or when outside relationships may or may appear to compromise the integrity of decisions made as teachers and researchers, including compromising the integrity of the design, conduct or reporting of their research. A faculty member's general commitment to Caltech requires that members perform their responsibilities to Caltech and appropriately use their own judgment in deciding whether to engage in a variety of extramural activities, within the confines set forth in the Faculty Handbook and any obligations prescribed by research sponsors. As a result, Caltech relies on its faculty to be alert to the possible effects of outside activities, commitments, and financial interests on the integrity of their decisions and on their ability to fulfill their obligations to Caltech and to federal and private research sponsors. Accordingly, in addition to the conflict rules set forth above, the following guidance is provided for faculty:

- 3.1 Disclosure is imperative if the faculty member directs students in a research area and, as a result, the faculty member intends to realize financial gain. An example is a research area within the ambit of a business in which the faculty member has a Significant Financial Interest<sup>4</sup> or is employed by or acts as a consultant for the business. Any involvement of undergraduates, graduate students, or postdoctoral scholars in the outside professional activities of the faculty member directing the student's or postdoc's research must be reviewed by the Office of Research Compliance and specifically approved, in advance, by the division chair and vice provost. The student or postdoctoral scholar must also sign the written disclosure to signify understanding of the issues involved.
- 3.2 Disclosure is mandatory if the faculty member has a Significant Financial Interest in or a commitment to a for profit, not-for-profit, or governmental entity (Entity) that is related to or overlaps with the faculty member's institutional responsibilities.

---

<sup>4</sup> Significant Financial Interest is defined in the Disclosure of Financial Interests and Commitments (DFIC).

- 3.3 Disclosure is mandatory if the faculty member is to receive sponsored support for research from an Entity for which the faculty member is a consultant, or in which the faculty member has a Significant Financial Interest or commitment.

#### **4.0 Conflict of Interest Requirements Imposed by Federal Agency Sponsors**

Certain Federal sponsors have issued specific rules regarding the disclosure of Significant Financial Interests, the management of financial conflicts of interest and conflicts of commitment, the disclosure of all resources made available to a researcher in support of their research, professional, academic and industry activities and appointments. Such disclosures, and consideration by Caltech of their implications for research integrity, are a condition for submitting proposals and accepting awards of financial support from these agencies. Members of the Caltech community proposing or working on any activity funded by a federal sponsor are required to comply with [Caltech's Policy and Procedures for Managing Conflict of Interest Requirements Imposed by Federal Sponsors, and other sponsor disclosure requirements](#). The Office of Research Compliance at Campus and the Ethics Office at JPL should be consulted whenever researchers have questions concerning whether and how certain information should be disclosed in connection with the submission of proposals for federal funding and during the lifecycle of an award.

#### **5.0 Institutional Conflicts of Interest Policy**

Caltech has many legitimate interests that may at times conflict. Management of institutional (or organizational) conflicts of interest is, by its very nature, more complex than that of personal conflicts of interest. External relationships with sponsors and supporters of the institution, the local community's acceptance of economic development activities, the institution's obligations as a charitable organization receiving preferential tax treatment, and the institution's perception of its teaching, research, and academic missions all impact how potential conflicts of interest are managed. The examples and issues presented below do not necessarily constitute unacceptable conflicts of interest. Each case must be judged on the facts and merits of the relationship with an eye to what reasonable individuals outside Caltech might consider to be an unacceptable conflict of interest. Any activity, financial or operational, that may bring into question Caltech's reputation, integrity, or objectivity should be considered for possible conflicts of interest. The following are examples of potential situations that may give rise to institutional conflicts of interest:

- 5.1 Significant gifts to Caltech from a commercial sponsor of research may raise questions about the influence of the sponsor on Caltech's research programs and how they are managed. Similar concerns arise when individual companies sponsor research or provide significant consulting income to a significant number of faculty members within a single academic division. Particular attention should be given to identifying and managing potential conflicts arising when a company sponsors research involving human participants and Caltech has a financial or business interest in the company.
- 5.2 Gifts, or the promise of gifts, in exchange for favorable terms on a technology license or a first look at intellectual property may also pose a problem.
- 5.3 The acquisition of goods and services for Caltech represents a large portion of Caltech's expenditures. Purchasing goods and services from companies that sponsor research at Caltech, or who are licensees of Institute technology, may raise issues similar to those raised by large gifts from commercial sponsors.

- 5.4 A potential institutional conflict of interest exists simply by Caltech having a license agreement with, or an equity position in, a company sponsoring a faculty member's research. In these situations, there may be, or may appear to be, a bias to accept terms and conditions that would facilitate the company's success.

If you identify a situation that may pose an institutional conflict of interest, you should report the situation to either the vice president and chief operating officer or to the provost on campus or to the Ethics Office at JPL. You may also make a report by calling the Campus Hotline at (626) 395-8787 or submitting a [hotline form](#), calling the JPL Ethics Office at (818) 354-6338, the JPL Ethics help line at (866) 405-7536 or sending an email to [Ethics-Office@jpl.nasa.gov](mailto:Ethics-Office@jpl.nasa.gov).