

ETHICS AND CONFLICTS OF INTEREST

BOARD OF REGENTS

Background

The Bylaws of the Board of Regents provide for adoption of ethics guidelines, as stated in Section 2.13:

The Board of Regents shall adopt and members of the Board of Regents shall adhere to ethics guidelines setting forth appropriate standards of conduct, provisions to avoid potential conflicts of interest, and requirements for disclosure of personal interests that may relate to the Smithsonian Institution.

The Board of Regents resolved to approve the following Ethics Guidelines on January 6, 2003.

Ethics Guidelines

General

The Board of Regents is the governing authority for the Smithsonian and its members have a fiduciary obligation to act in the best interest of the Smithsonian without regard to their personal interests. The Board of Regents provides guidance and oversight for the development and implementation of Smithsonian policies and programs to ensure that Smithsonian activities are conducted and resources are utilized in support of the Smithsonian's mission, in accordance with professional standards and practices, and for the benefit of the public. Regents must exercise due diligence and good faith in carrying out their duties on behalf of the Smithsonian, and must refrain from taking any action that might conflict, or appear to conflict, with the interests of the Smithsonian.

Conflicts of Interest Defined

A Regent may be considered to have a conflict of interest, or a potential or perceived conflict, when the Regent or any member of his or her immediate family (spouse, parents, sibling, children):

1. has any personal, business, or organizational interest or affiliation that could be construed as having a relationship to the Smithsonian, such as serving as a trustee, officer, director, employee, or partner, or owning greater than 5% of the voting stock or controlling interest in an organization that does business with the Smithsonian, or
2. may receive a personal, business, or organizational benefit from knowledge of confidential Smithsonian information.

Disclosure and Recusal

If a Regent has interests or affiliations that could be construed as having a relationship to the Smithsonian, the Regent shall disclose such interest or relationship to the Chair of the Executive Committee and the General Counsel. If the General Counsel determines that an actual or potential conflict of interest exists, a report on the matter shall be made to the Executive Committee.

In addition, whenever a Regent becomes aware that the Board of Regents, a Committee thereof, or the staff of the Smithsonian is considering a transaction that may involve an actual or potential conflict of interest for the Regent, the Regent shall notify the Chair of the Executive Committee and the General Counsel of the potential conflict.

A Regent shall not vote on, approve, or recommend any transaction in which he or she has an actual or potential conflict of interest. If the Regent is present at any meeting of the Board or any Committee at which such a matter is considered, the Regent shall leave the meeting during the discussion and vote. The remaining Regents shall determine whether the transaction is both proper and beneficial to the Smithsonian. The minutes of the meeting shall record the disclosure of the conflict, the Regent's recusal from consideration of the matter, and the determination, if made, that the transaction is in the Smithsonian's interest.

Annual Disclosure Statement

Each Regent shall file annually a disclosure statement in the form attached to these guidelines. Any Regent who serves ex officio or as a Member of Congress may file a copy of his or her public financial disclosure statement in lieu of Sections I and II of the Board of Regents disclosure statement. The General Counsel will review the annual disclosure statements for compliance with this policy and shall report to the Executive Committee whether any actual or potential conflicts of interest have been disclosed therein. The Smithsonian will maintain the disclosure statements in strict confidence and they will not be subject to public disclosure.

Personal Collecting

Members of the Board of Regents may maintain personal collections of objects of the type collected by the Smithsonian, but no Regent or family member may knowingly compete, directly or indirectly, with the Smithsonian for the acquisition of any object. No Regent or family member may acquire deaccessioned objects directly from the Smithsonian or at auction if consigned by the Smithsonian. A sale or loan to the Smithsonian of any object owned by a Regent or family member shall be given special scrutiny to ensure that the Regent receives no improper advantage from the arrangement, and shall be subject to approval of the Executive Committee.

Consultation

In order to assist Regents in faithful adherence to these guidelines, Regents are encouraged to consult with the Chair of the Executive Committee or the General Counsel whenever a question arises as to the applicability of these guidelines.