

PART 13

CONFLICT OF INTEREST

CONSULTANTS - STATUTORY CONFLICT OF INTEREST [IC 5-16-11]

Conflict of Interest

Pursuant to IC 5-16-11-5.5, a consultant has a conflict of interest if any of the following apply:

1. The entity has given a gift or gifts:
  - a. To the consultant, the consultant's spouse, or the consultant's unemancipated children;
  - b. That have a total fair market value of more than one hundred dollars (\$100); and
  - c. Within the preceding year.
2. The consultant, the consultant's spouse, or the consultant's unemancipated children have an equitable or a legal interest in real property the value of which:
  - a. Either is at least \$5,000 or comprises at least ten percent (10%) of the net worth of the consultant, the consultant's spouse, or the consultant's unemancipated children; and
  - b. Has been or would be increased or decreased if a contract were awarded to the entity.
3. The consultant or the consultant's spouse is employed by the entity.
4. The entity is the sole proprietorship or professional practice of the consultant or the consultant's spouse.
5. The consultant or the consultant's spouse is a partner in the entity.
6. The consultant or the consultant's spouse is an officer or a director of the entity.
7. The consultant, the consultant's spouse, or the consultant's unemancipated children own stock or options to purchase stock in the entity and the stock or the options to purchase stock have a fair market value of more than ten thousand dollars (\$10,000). This subdivision does not apply to the following:
  - a. Time deposits or demand deposits in a financial institution.
  - b. An insurance policy.

### Definition of Consultant

**"Consultant"** means an individual who, under a contract with the state or a political subdivision, does either of the following for the state or the political subdivision:

1. Evaluates bids for contracts.
2. Awards contracts.

The term does not include a public employee (as defined in IC 34-6-2-38).

An individual is not required to be a party to the contract with the state or the political subdivision to be a consultant under this section. [IC 5-16-11-2]

### Definition of Entity

As used in this chapter, **"entity"** refers to a person that:

1. Has submitted a bid to be evaluated by a consultant; or
2. Was awarded a contract by a consultant. (IC 5-16-11-3.5)

### Disclosure Requirements

A conflict of interest must be disclosed as follows:

1. A consultant shall file a conflict of interest disclosure if the consultant has a conflict of interest under IC 5-16-11-5.5.
2. The disclosure must describe the conflict of interest.
3. The consultant shall file the disclosure within ten (10) days of the earlier of the following events:
  - a. The closing day for receipt of bids.
  - b. The award of the contract.
4. The consultant shall file the disclosure required by IC 5-16-11-6 with the governing board, if the consultant contracts with the political subdivision. [IC 5-16-11-7]
5. The consultant shall make the disclosure required by IC 5-16-11-6 under affirmation. [IC 516-11-6,7,8]

### Penalties

A consultant who fails to file a disclosure required by this chapter commits a Class A infraction. [IC 5-15-11-11]

A consultant who files a false disclosure under this chapter is subject to the penalties for perjury under IC 35-44-2-1. [IC 5-16-11-12]