

UNIVERSITY OF CALIFORNIA

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SANTA BARBARA • SANTA CRUZ

SENIOR VICE PRESIDENT-
BUSINESS AND FINANCE

OFFICE OF THE PRESIDENT
1111 Franklin Street, 12th Floor
Oakland, California 94607-5200
October 28, 2005

CHANCELLORS LABORATORY DIRECTORS

Dear Colleagues:

Enclosed is a letter from Chairman of the Board of Regents Parsky and President Dynes to the members of the University community formally introducing the University of California *Statement of Ethical Values and Standards of Ethical Conduct*, along with a proposed program of implementation. It is important that all members of the University community receive a complete set of these documents, and I am asking your assistance in ensuring their distribution to everyone within your campus or laboratory community.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Mullinix".

Joseph P. Mullinix
Senior Vice President

Enclosures

cc: Regent Parsky
President Dynes
Executive Vice Chancellors
Vice Chancellors-Administration
Members, President's Cabinet



OFFICE OF THE PRESIDENT

Robert C. Dynes
President

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October 13, 2005

MEMBERS OF THE UNIVERSITY OF CALIFORNIA COMMUNITY

Dear Colleagues:

We are pleased to enclose the University of California's *Statement of Ethical Values* and *Standards of Ethical Conduct*. These documents comprise an important statement of the University's values and they renew our longstanding commitment to practices in conformance with those values. Today, we are formally introducing our Statement and Standards of Ethics, along with a program of implementation that was shared with the Board of Regents at its meeting in September. Joining us in this effort are The Regents, the Chancellors, the Laboratory Directors, and the University's Vice Presidents.

The *Standards of Ethical Conduct* are designed to explain in more detail the topics contemplated by these values and to confirm the expectations created by University policies, procedures, and other directives already in place. These documents are intended to inform our daily work at the University, and to advise clearly on the expectations University leadership has of itself and of you.

The references to existing policies and other directives are illustrative rather than comprehensive and, of course, they will change over time. We urge you to become and remain familiar with all that apply to you and your work, to raise questions and concerns wherever appropriate, and to ensure that the matters covered in these documents are discussed actively in the University community.

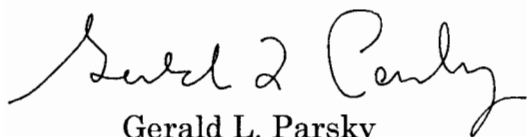
To assist you with the application of these standards, we assembled a team to develop special Web-based training on the UC *Statement of Ethical Values* and *Standards of Ethical Conduct*, as well as specific modules on the State statutory requirements governing Conflicts of Interest. As noted in the enclosed Program outline, this new training is scheduled to be available for all members of the UC community early in 2006. This will follow availability of our new online sexual harassment training. These training opportunities are important, and we expect all members of our community to take the time to complete them.

Members of the University of California Community
October 13, 2005
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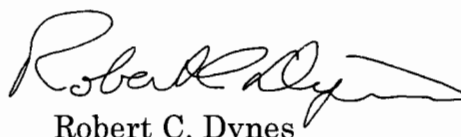
Your comments and questions are welcome and can be directed to either of us, your Chancellor, Laboratory Director, Vice President, or your location's Ethics Officers/Conflict of Interest Coordinators.

We hope that each of you will read these important documents carefully and will commit individually and collectively to making them a top priority and an integral part of the University of California at every level, in all locations, and at all times.

Sincerely,



Gerald L. Parsky
Chairman
Board of Regents



Robert C. Dynes
President

Enclosures



University of California

Statement of Ethical Values

*M*embers of the University of California community are committed to the highest ethical standards in furtherance of our mission of teaching, research and public service. We recognize that we hold the University in trust for the people of the State of California. Our policies, procedures, and standards provide guidance for application of the ethical values stated below in our daily life and work as members of this community.

We are committed to:

Integrity

We will conduct ourselves with integrity in our dealings with and on behalf of the University.

Excellence

We will conscientiously strive for excellence in our work.

Accountability

We will be accountable as individuals and as members of this community for our ethical conduct and for compliance with applicable laws and University policies and directives.

Respect

We will respect the rights and dignity of others.



University of California

Standards of Ethical Conduct

Purpose

Pursuit of the University of California mission of teaching, research and public service requires a shared commitment to the core values of the University as well as a commitment to the ethical conduct of all University activities. In that spirit, *the Standards of Ethical Conduct* are a statement of our belief in ethical, legal and professional behavior in all of our dealings inside and outside the University.

Applicability

The Standards of Ethical Conduct apply to all members of the University community, including The Regents, Officers of The Regents, faculty and other academic personnel, staff, students, volunteers, contractors, agents and others associated with the University. Organizationally, the *Standards* apply to campuses, the National Laboratories, the Office of the President, the Division of Agriculture and Natural Resources, campus organizations, foundations, alumni associations and support groups.

1. Fair Dealing

Members of the University community are expected to conduct themselves ethically, honestly and with integrity in all dealings. This means principles of fairness, good faith and respect consistent with laws, regulations and University policies govern our conduct with others both inside and outside the community. Each situation needs to be examined in accordance with the *Standards of Ethical Conduct*. No unlawful practice or a practice at odds with these standards can be justified on the basis of customary practice, expediency, or achieving a “higher” purpose.

2. Individual Responsibility and Accountability

Members of the University community are expected to exercise responsibility appropriate to their position and delegated authorities. They are responsible to each other, the University and the University's stakeholders both for their actions and their decisions not to act. Each individual is expected to conduct the business of the University in accordance with the *Core Values* and the *Standards of Ethical Conduct*, exercising sound judgment and serving the best interests of the institution and the community.

3. Respect for Others

The University is committed to the principle of treating each community member with respect and dignity. The University prohibits discrimination and harassment and provides equal opportunities for all community members and applicants regardless of race, color, national origin, religion, sex, gender identity, pregnancy, physical or mental disability, medical condition (cancer-related or genetic characteristics), ancestry, marital status, age, sexual orientation, citizenship, or status as a covered veteran. Further, romantic or sexual relationships between faculty responsible for academic supervision, evaluation or instruction and their students are prohibited. The University is committed to creating a safe and drug free workplace. Following is a list of the principal policies and reference materials available in support of this standard:

- *The Faculty Code of Conduct*
- *Academic Personnel Policy Manual*
- *The Faculty Handbook*
- *Personnel Policies for Staff Members*
- *Policies Applying to Campus Activities, Organizations and Students*
- *Policy on Sexual Harassment and Procedures for Responding to Reports of Sexual Harassment*
- *University policies on nondiscrimination and affirmative action*
- *Campus, laboratory and Office of the President Principles of Community*

The University's health sciences enterprises are committed to the ethical and compassionate treatment of patients and have established policies and statements of patient rights in support of this principle.

4. Compliance with Applicable Laws and Regulations

Institutions of higher education are subject to many of the same laws and regulations as other enterprises, as well as those particular to public entities. There are also additional requirements unique to higher education. Members of the University community are expected to become familiar with the laws and regulations bearing on their areas of responsibility. Many but not all legal requirements are embodied in University policies. Failure to comply can have serious adverse consequences both for individuals and for the University, in terms of reputation, finances and the health and safety of the community. University business is to be conducted in conformance with legal requirements, including contractual commitments undertaken by individuals authorized to bind the University to such commitments.

The Office of the General Counsel has responsibility for interpretation of legal requirements.

5. Compliance with Applicable University Policies, Procedures and Other Forms of Guidance

University policies and procedures are designed to inform our everyday responsibilities, to set minimum standards and to give University community members notice of expectations. Members of the University community are expected to transact all University business in conformance with policies and procedures and accordingly have an obligation to become familiar with those that bear on their areas of responsibility. Each member is expected to seek clarification on a policy or other University directive he or she finds to be unclear, outdated or at odds with University objectives. It is not acceptable to ignore or disobey policies if one is not in agreement with them, or to avoid compliance by deliberately seeking loopholes.

In some cases, University employees are also governed by ethical codes or standards of their professions or disciplines—some examples are attorneys, auditors, physicians and counseling staff. It is expected that those employees will comply with applicable professional standards in addition to laws and regulations.

6. Conflicts of Interest or Commitment

Employee members of the University community are expected to devote primary professional allegiance to the University and to the mission of teaching, research and public service. Outside employment must not interfere with University duties. Outside professional activities, personal financial interests, or acceptance of benefits

from third parties can create actual or perceived conflicts between the University's mission and an individual's private interests. University community members who have certain professional or financial interests are expected to disclose them in compliance with applicable conflict of interest/conflict of commitment policies. In all matters, community members are expected to take appropriate steps, including consultation if issues are unclear, to avoid both conflicts of interest and the appearance of such conflicts.

7. Ethical Conduct of Research

All members of the University community engaged in research are expected to conduct their research with integrity and intellectual honesty at all times and with appropriate regard for human and animal subjects. To protect the rights of human subjects, all research involving human subjects is to be reviewed by institutional review boards. Similarly, to protect the welfare of animal subjects, all research involving animal subjects is to be reviewed by institutional animal care and use committees. The University prohibits research misconduct. Members of the University community engaged in research are not to: fabricate data or results; change or knowingly omit data or results to misrepresent results in the research record; or intentionally misappropriate the ideas, writings, research, or findings of others. All those engaged in research are expected to pursue the advancement of knowledge while meeting the highest standards of honesty, accuracy, and objectivity. They are also expected to demonstrate accountability for sponsors' funds and to comply with specific terms and conditions of contracts and grants.

8. Records: Confidentiality/Privacy and Access

The University is the custodian of many types of information, including that which is confidential, proprietary and private. Individuals who have access to such information are expected to be familiar and to comply with applicable laws, University policies, directives and agreements pertaining to access, use, protection and disclosure of such information. Computer security and privacy are also subject to law and University policy.

Information on the University's principles of privacy or on specific privacy laws may be obtained from the respective campus or laboratory information privacy office.

The public right to information access and the individual's right to privacy are both governed by state and federal law, as well as by University policies and procedures. The legal provisions and the policies are based upon the principle that access to

information concerning the conduct of the people's business is a fundamental and necessary right of every person, as is the right of individuals to privacy.

9. Internal Controls

Internal controls are the processes employed to help ensure that the University's business is carried out in accordance with these *Standards*, University policies and procedures, applicable laws and regulations and sound business practices. They help to promote efficient operations, accurate financial reporting, protection of assets and responsible fiscal management. All members of the University community are responsible for internal controls. Each business unit or department head is specifically responsible for ensuring that internal controls are established, properly documented and maintained for activities within their jurisdiction. Any individual entrusted with funds, including principal investigators, is responsible for ensuring that adequate internal controls exist over the use and accountability of such funds. The University has adopted the principles of internal controls published by the Committee of Sponsoring Organizations (COSO) of the Treadway Commission.

10. Use of University Resources

University resources may only be used for activities on behalf of the University. They may not be used for private gain or personal purposes except in limited circumstances permitted by existing policy where incidental personal use does not conflict with and is reasonable in relation to University duties (e.g. telephones). Members of the University community are expected to treat University property with care and to adhere to laws, policies and procedures for the acquisition, use, maintenance, record keeping and disposal of University property. For purposes of applying this policy, *University resources* is defined to include but not be limited to the following, whether owned by or under the management of the University (for example, property of the federal government at the National Laboratories):

- Cash, and other assets whether tangible or intangible; real or personal property;
- Receivables and other rights or claims against third parties;
- Intellectual property rights;
- Effort of University personnel and of any non-University entity billing the University for effort;
- Facilities and the rights to use University facilities;
- The University's name;

- University records, including student and patient records; and
- The University information technology infrastructure.

11. Financial Reporting

All University accounting and financial records, tax reports, expense reports, time sheets and effort reports, and other documents including those submitted to government agencies must be accurate, clear and complete. All published financial reports will make full, fair, accurate, timely and understandable disclosures as required under generally accepted accounting principles for government entities, bond covenant agreements and other requirements. Certain individuals with responsibility for the preparation of financial statements and disclosures, or elements thereof, may be required to make attestations in support of the *Standards*.

12. Reporting Violations and Protection from Retaliation

Members of the University community are strongly encouraged to report all known or suspected improper governmental activities (IGAs) under the provisions of the *Policy on Reporting and Investigating Allegations of Suspected Improper Governmental Activities* (Whistleblower Policy). Managers and persons in supervisory roles are required to report allegations presented to them and to report suspected IGAs that come to their attention in the ordinary course of performing their supervisory duties. Reporting parties, including managers and supervisors, will be protected from retaliation for making such a report under the *Policy for Protection of Whistleblowers from Retaliation and Guidelines for Reviewing Retaliation Complaints* (Whistleblower Retaliation Policy).

Adopted by The Regents of the University of California, May, 2005.

THE UNIVERSITY OF CALIFORNIA ETHICS PROGRAM

Proposed Rollout Strategy by the Ethics Rollout Team (September 2005)

- A. Issue a joint letter from the Chairman of The Regents and the President to the University of California community introducing the UC Statement of Ethical Values and Standards of Ethical Conduct.
- B. Distribute small posters of the UC Statement of Ethical Values at each UC location.
- C. Work with each campus and laboratory to appoint an Ethics Officer/Advisor for the location.
 - Special delegation of ethics responsibilities from the President to Ethics Officers/Advisors.
 - Develop specialized extended training for advising and responding to questions about online training.
- D. Add an ethics training component to all UC employee training offerings, including new employee orientation.
 - Training the Trainers
 - Issue written statement to all trainers about their role in supporting the University's commitment to the Ethics Statement and Standards.
 - Apprise trainers of the addition of an online Ethics Training program (see H. below) as part of the training repertoire offered to employees.
 - Deliver a special training component at the annual meeting in November of all HR trainers.
 - Work with Student Affairs to weave the Ethics Statement and Standards into existing new student orientation and student government leader orientation programs.
 - Identify and develop materials for non-employee populations, such as campus and hospital volunteers, 4-H and other student-centered programs, foundations and support groups, and related constituencies, about the UC Ethics Statement and Standards Component.

- E. Implement tailored rollout for Senate Faculty
- Request that the Academic Council appoint an ad hoc committee on ethics rollout.
 - Request consideration of Academic Council resolution supporting ethics training.
- F. Develop ethics issues curricula focused on specific UC administrative audiences, including chief human resource officers, labor relations managers, affirmative action officers, Title IX coordinators, or UC ombudspersons, research compliance officers, local conflict of interest coordinators, etc., with a short agenda item, packet, and presentation on the Ethics Program. The existing Whistleblower/ Whistleblower Retaliation Program Infrastructure will be incorporated into the Ethics Program.
- Initiate training for all internal auditors, locally designated officials, and investigations work groups.
 - Develop and promulgate additional communications publicizing the ethics hot line in connection with the Ethics Rollout.
- G. Leverage existing media resources for communications with employees and volunteers.
- H. Online Ethics Orientation (first-year pilot in 2006)
- Statement of Ethical Values and Standards of Ethical Conduct online orientation to be available initially to all members of the UC community, mandatory for new employees. Consider mandatory training for all employees in subsequent years.
 - Conflict of Interest training available focused on the following audiences:
 - Principal Investigators
 - Designated Officials
 - Regents - online training program available with personalized overview provided during new Regents orientation.