

Definition of Conflict of Interest

Board Procedures Task Force Report to the Board Conflict of Interest June 10, 1999

Discussion

The purpose of a provision defining Conflict of Interest is to insure that business conducted by the NOSB be above reproach in all aspects of Board activity. This provision includes but is not limited to any Board member or party who owns, manufactures or distributes a material for which the party has petitioned the NOSB for inclusion of that material on the National List.

The Board recognizes that Members have been specifically appointed to the Board to provide advice and counsel to the Secretary of Agriculture about policies related to the development of organic standards, the acceptance of materials on the National List and other related policies. The Members have been appointed because they have professional expertise which enables them to advise the Secretary and may, at times, present inherent conflict of interest which has as a matter of law, been waived. Therefore, the Board does not intend to restrict its Members from taking positions in favor of or in opposition to, petitions or proposals from which their businesses may generally benefit. Given this context, any NOSB member who may derive a direct financial gain from action taken, including, but not limited to, influencing the Board or its decision-making process, on behalf of herself or himself or another party, shall disclose his or her interest to the Board and the public, when they or their affiliated business stand to gain from a vote which they cast in the course of Board business. It is rather, the Board's intention to prevent overt advocacy for direct financial gain.

Recommendation

Be it resolved by the National Organic Standards Board:

That members of the Board shall refrain from taking any official Board action from which that Board member is or would derive direct financial gain. Board members shall disclose their interest to the Board and the public, when they or their affiliated business stand to gain from a vote, which they cast in the course of Board business. Under certain circumstances, the Board may determine whether it is appropriate for the member to vote.

That members of the Board shall refrain promoting for consideration any material, process or practice for which the member is or would derive direct financial gain arising out of such Board action. The act of promoting such material, process or practice shall include private discussion with members of the Board advocating the value of the material, public discussion, and/or written advocacy.

A "direct financial gain" is defined as monetary consideration, contractual benefit or the expectation of future monetary gain to a Board member including but not limited to financial gain from a party who manufactures, distributes or holds exclusive title to a formula for a material or product, process or practice.

Carolyn Brickey moved.

Rod Crossley seconded.

Call for the vote

Vote:

Those In Favor: 11

Those Opposed: 0

Those Abstaining: 0