

Houston Forensic Science Center, Inc.

MEETING OF BOARD OF DIRECTORS
MINUTES

September 11, 2015

The undersigned, being the duly appointed Secretary of the Houston Forensic Science Center, Inc., (the "Corporation"), hereby certifies that the following are true and correct minutes of the September 11, 2015 meeting of the Board of Directors (the "Board"), of the Corporation.

- A. In a manner permitted by the Corporation's Bylaws, the meeting was called by providing all Directors with notice of the date, time, place, and purposes of the meeting more than three days before the date of the meeting.
- B. In Accordance with Chapter 551, Texas Government Code, which Chapter is made applicable to the Corporation by Section 431.004, Texas Transportation Code, a notice of the meeting was duly filed on September 8, 2015, in the same manner and location as required by law of the City of Houston, Texas (the "City").
- C. The meeting was called to order by Nicole B. Cásarez, Chairwoman of the Board, at approximately 9:00 a.m. on Friday, September 11, 2015, in the Council Annex Chambers, 900 Bagby St. (Public Level), Houston, Texas 77002.
- D. Ms. Ashley Wieringa called the roll. The following Directors were present: Nicole B. Cásarez, David M. Feldman, Janet Blancett, Dr. Robert "Bob" H. McPherson, Judge Willie E. B. Blackmon, and Sandra Guerra Thompson.

The following Directors were absent: Anthony Graves, Dr. Enrique V. Barrera, and Tom P. Allen (ex-officio).

Chairwoman Cásarez announced that a quorum of the Directors was present.

- E. Chairwoman Cásarez noted that a draft of the minutes of the Corporation's meeting on August 14, 2015 had been distributed to the Board. Mr. Feldman made a motion to approve the minutes of the August 14, 2015 meeting, and the motion was seconded by Judge Blackmon. The motion passed unanimously, and the minutes of the August 14, 2015 meeting were adopted.
- F. Chairwoman Cásarez asked if any members of the public wished to address the Board. Chairwoman Cásarez noted that no one asked to address the Board and the meeting continued.
- G. Dr. Daniel D. Garner, President and Chief Executive Officer (CEO), provided a President's report. Dr. Garner provided a personnel report and noted that the Houston Forensic Science Center (HFSC) hired two trace examiners. He provided a technology

report and requested that Ms. Robin Guidry provide an update on the impact of the FBI disclosure concerning DNA data on the operations of the HFSC's forensic biology section.

- H. Ms. Robin Guidry, Biology Manager in the Forensic Analysis Division, provided an update on the impact of the FBI's statistical recalculations of STR population data on lab evaluations of DNA mixture interpretations. Chairwoman Cásarez explained, as background information, that since 1999, scientific procedures regarding DNA mixture interpretations have improved. As a result, interpretations of DNA mixtures under old protocols in both pending and past cases may need to be re-examined at labs throughout the country. The Board discussed what HFSC is doing to address the issue and the impact on casework. Ms. Guidry explained the differences between retesting, recalculating, and reinterpretation. She reported that the Harris County District Attorney's Office has asked the HFSC to recalculate and reinterpret its findings in 209 cases, of which it has completed 69%. Ms. Guidry reported that HFSC's goal is to complete 100% of the initial list by the end of September 2015. Ms. Guidry explained the time investment required for each case and how complicating factors may impact that time requirement.
- I. Mr. Allen joined the meeting at approximately 9:11 a.m.
- J. Dr. Garner continued the President's report. He provided a report on new business opportunities and noted that HFSC is in the process of finalizing the costs of services. He provided a training report and noted that a training schedule and pricing would be presented to the Board when finalized. Dr. Garner provided a report on planned initiatives. He reported that the symposium, *When the Gavel Falls*, is scheduled for September 17th and that Crime Lab Design would be visiting HFSC to complete the needs assessment September 16th through September 18th. He noted that HFSC is also interested in submitting an application to set up a 501(c)(3) organization.
- K. Dr. Peter Stout, Vice President and Chief Operations Officer (COO), provided a Vice President's report. He noted that the standard operating procedures (SOPs) and accreditation information is now available on the HFSC website and that HFSC has implemented a blind quality control testing program within the toxicology section. Dr. Stout reviewed the operations report. He reviewed the mixture of requests received in August by the HFSC and then reviewed the controlled substances, firearms, biology, toxicology, and latent prints sections individually. He noted that he will present a plan to address the turnaround time in the biology section at the October Board meeting. Dr. Stout noted that he hopes to implement a consolidated, once-a-day evidence pickup route by the first week of October 2015. He reported that he is working to gather more information regarding the productivity of the audio/video, digital, and crime scene unit sections. Dr. Stout reported that HFSC is looking to incorporate metrics that compare to Foresight data so that the HFSC can benchmark itself based off the Foresight data.
- L. Mr. David Leach, Chief Financial Officer (CFO) and Treasurer, provided a Treasurer's report. He reviewed the FY15 final statement of activities including auditor adjustments,

final Fund 2213 invoice, and reallocations of budgeted lines items.

- M. Mr. Leach reviewed the FY16 budget summary. He presented the restated FY16 budget and noted that the budget presented at the August Board meeting was overstated in revenue by \$1.46M because funds allocated to HFSC for overhead had been double-counted. He reported that the FY16 budget summary report includes actual FY15 results after HFSC received the final Fund 2213 invoice and the external auditor's adjustments. He discussed how the FY16 budget has been revised to lower expenses by \$1.46M. He noted that each lab department will receive monthly budget reports to better enable departments to manage their spending to available funds. Chairwoman Cásarez asked how removing the purchase of LIMS would impact the goals set out in the five-year plan. Dr. Stout addressed the issue and noted that an IT strategy would be presented at the January 2016 Board meeting. Mr. Leach noted that he plans to provide a report at the October Board meeting regarding the HFSC's discussions with City Finance. Mr. Feldman made a motion that the revised FY16 budget be approved as amended. Judge Blackmon seconded the motion, and the motion passed unanimously.
- N. Mr. Leach continued the Treasurer's report. He reviewed the year to date expenses by category versus the year to date budgeted amounts for August 2015, the comparative statement of activities through August 31, 2015, and the comparative statement of net position by quarter. Mr. Leach noted that a report on the status of the training revenue would be provided at the October Board meeting. Mr. Leach reviewed the flow of income and expenses over the past 12 months and for the past 12 months by major category.
- O. Ms. Caresse Young, Director of Human Resources, presented the Financial Conflict of Interest Policy and Disclosure Statement and reviewed the incorporated revisions. Mr. Feldman made a motion that the Board adopt the Financial Conflict of Interest Policy. Judge Blackmon seconded the motion, and the motion passed unanimously.
- P. Ms. Lori Wilson, Quality Director, provided a quality assurance report. She reviewed the Quality Update for August 2015. Ms. Wilson noted that HFSC received one complaint on September 1st and she will provide more information on the complaint at the October Board meeting. Ms. Wilson reviewed the audits and inspections portion of the quality report. She reported that evidence audits were conducted in the Audio/Video Unit and the Digital Forensic Laboratory and that a Latent Print Unit internal audit is scheduled for the week of September 21st. Ms. Wilson reported that HFSC plans to reformat all SOPs by the end of December 2015. Ms. Wilson reported that the quality division is continuing to develop the blind quality control testing program. She noted that September 11, 2015 is the first anniversary of HFSC's international accreditation for the accredited disciplines. She reported that a member of the quality division has accepted an invitation to serve as a technical accessor for a federal police laboratory in Mexico and another quality division member will make a presentation on certification at the Association of Forensic Quality Assurance Managers meeting. Ms. Wilson noted that the accreditation timelines are also available in the quality report.
- Q. Chairwoman Cásarez noted that she discussed the activities of the Technical Advisory Group (TAG) with Dr. Barrera. Chairwoman Cásarez requested that Ms. Blancett work

with Dr. Barrera and Chairwoman Cásarez to move the project along.

R. There being no other business, the meeting was ADJOURNED at 11:00 a.m.

Houston Forensic Science Center, Inc.

By: Ashley Wieringa

Ashley Wieringa

Secretary

HOUSTON FORENSIC SCIENCE CENTER, INC.
FY 16 Budget Summary

('000's)

	FY15 Actual	Revised FY16 Budget	Actual vs. Budget	Original FY16 Budget	Change in Budget
Total Income	22,958	25,519	2,561	26,979	(1,460)
Expenses:					
Personnel	4,684	8,734	4,050	9,245	(511)
Supplies	883	932	49	958	(26)
Services	12,891	14,325	1,434	14,565	(240)
Non-Capital Expenditures	224	329	105	361	(33)
Capital Expenditures	980	545	(436)	1,205	(660)
Depreciation	226	324	98	333	(9)
Total Expense After Depreciation	19,924	25,188	5,264	26,668	(1,480)
Net Ordinary Income	3,033	330	(2,703)	311	20
Other Expense:					
City of Houston Direct Overhead	1,460	1,460			
Grant and Training Expense	-	1,347			
Change in Net Position	1,573	(2,477)			
Add back non cash expenses (depreciation)		324			
Cash Rollover from FY'15 net of encumbrances		2,153			
Total Cash Remaining for FY16		1			

HOUSTON FORENSIC SCIENCE CENTER, INC.
COMPARATIVE STATEMENT OF ACTIVITIES - ACCRUAL BASIS
FY15 Actual Results vs. FY16 budget

(000's)

	<u>FY15 Actual</u>	<u>Revised FY16 Budget</u>	<u>Actual vs. Budget</u>	<u>Original FY16 Budget</u>	<u>Change in Budget</u>	
Revenues:						
City of Houston-Appropriations	\$ 21,248	\$ 22,680	\$ 1,432	\$ 24,140	\$ (1,460)	Double counted CoH -
Fund 2213	13,848	11,321	(2,527)	11,321	-	
HFSC Operations	7,400	11,359	3,959	12,819	(1,460)	
City of Houston Direct OH-Appro	1,460	1,460	-	1,460	-	
City of Houston - Safe funds	15	-	(15)	-	-	
Donations	1	-	(1)	-	-	
In-Kind Donations	209	-	(209)	-	-	
Training Services	5	107	102	107	-	
Grants	10	1,261	1,251	1,261	-	
Interest Income	10	10	0	10	-	
Total Income	22,958	25,519	2,561	26,979	(1,460)	
Expenses:						
Salary Base - Civilian	3,812	7,033	3,221	7,441	(409)	Assumes 5% attrition
Pension - Civilian	251	463	212	490	(27)	
FICA - Civilian	279	514	235	548	(34)	
Health Insurance - Active Civil	300	553	253	585	(32)	
Basic Life Ins - Active Civil	77	143	65	151	(8)	
Pension - GASB 27 Accrual	(50)	-	50	-	-	
Unemployment Taxes - Admin	15	28	13	30	(2)	
	4,684	8,734	4,050	9,245	(511)	
Chemical Gases & Special Fluids	9	9	-	9	-	
Construction Materials	-	-	-	1	(1)	
Mechanical Hardware & Parts	-	-	-	1	(1)	
Meters, Hydro & Plumb	-	-	-	1	(1)	
Computer Supplies	42	42	-	39	3	
Paper & Printing Supplies	26	26	-	4	22	
Publications & Printed Material	15	15	-	15	-	
Postage	1	3	2	3	-	
Miscellaneous Office Supplies	80	104	24	111	(7)	
General Laboratory Supply	684	701	17	741	(40)	
Small Technical & Scientific Eq	2	4	2	4	-	
Fuel	0	1	1	1	-	
Vehicle Repair & Maint Supplies	-	-	-	1	(1)	
Clothing	1	1	-	1	-	
Food/Event Supplies	15	17	2	17	-	
Weapons Munitions & Supplies	5	7	2	7	-	
Small Tools & Minor Equipment	3	3	-	4	(0)	

HOUSTON FORENSIC SCIENCE CENTER, INC.
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FY15 Actual Results vs. FY16 budget

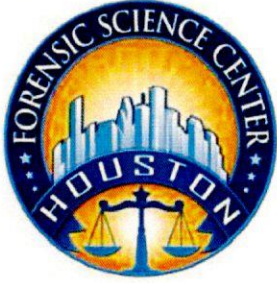
(000's)

	<u>FY15 Actual</u>	<u>Revised FY16 Budget</u>	<u>Actual vs. Budget</u>	<u>Original FY16 Budget</u>	<u>Change in Budget</u>
Temporary Personnel Services	33	33	-	33	-
Accounting & Auditing Svcs	34	25	(9)	35	(10)
Architectural Svcs	-	150	150	150	-
Computer Info/Contracting Svcs	4	12	8	12	-
Medical Dental & Laboratory Ser	26	26	-	28	(2)
Management Consulting Services	675	200	(475)	300	(100)
Banking Services	0	1	1	1	-
Photographic Services	6	7	1	7	-
Misc Support Serv Recruit Relo	170	100	(70)	100	-
Real Estate Rental	116	985	869	989	(4)
Refuse Disposal	5	8	3	8	-
Computer Equip/Software Maint.	203	215	12	215	-
IT Application Services	42	42	-	72	(30)
Vehicle & Motor Equip. Services	-	1	1	1	-
Other Equipment Services	248	241	(7)	246	(5)
Credit/Bank Card Svcs	3	5	2	5	-
Printing & Reproduction Serv.	20	20	-	19	0
Public Information Svcs	5	5	-	5	0
Insurance (Non-Medical)	19	133	114	133	-
Contributions	3	3	-	3	-
Membership & Prof. Fees	11	39	28	39	-
Education & Training	106	158	52	158	-
Tuition Reimbursement	29	62	33	62	-
Travel - Training Related	103	128	24	150	(22)
Travel - Non-training Related	19	19	-	25	(6)
Building Maintenance Services	5	5	-	5	0
Utilities	1	7	6	1	6
Data Services	10	18	8	18	-
Voice Services, Equip & Labor	47	51	3	51	-
EGIS Services	-	-	-	7	(7)
Vehicle/Equipment Rental/Lease	32	40	8	40	-
Other Rental Fees	4	7	3	7	-
Parking Space Rental	64	87	23	129	(42)
Legal Services	-	50	50	50	-
Metro Commuter Passes	34	42	8	55	(13)
Freight	4	4	-	4	0
Misc. Other Services & Chrgs	70	75	5	75	-
Insurance - General & Professional	4	-	-	-	-
Intfd KRONOS Svc Chr	-	-	-	8	(8)

HOUSTON FORENSIC SCIENCE CENTER, INC.
COMPARATIVE STATEMENT OF ACTIVITIES - ACCRUAL BASIS
FY15 Actual Results vs. FY16 budget

(000's)

	FY15 Actual	Revised FY16 Budget	Actual vs. Budget	Original FY16 Budget	Change in Budget
Sub-Contractor (COH)	10,738	11,321	584	11,321	-
Civilian Payroll	5,026	4,476	(550)	4,476	-
Civilian Salaries	3,369	3,028	(341)	3,028	-
Civilian Benefits	1,696	1,449	(249)	1,449	-
Classified Payroll	5,660	6,553	893	6,553	-
Classified Salaries	3,960	4,293	333	4,293	-
Classified Benefits	1,700	2,260	560	2,260	-
Supplies	10	177	167	177	-
Services	42	115	73	115	-
	12,891	14,325	1,434	14,565	(240)
Furniture and Fixtures	104	193	89	216	(23)
Computer Equipment	110	125	16	135	(10)
Scientific/Medical Equipment	10	10	-	10	-
	224	329	105	361	(33)
Improvements	17	225	208	225	-
Computer Hardware/SW	43	-	(43)	565	(565) Removed LIMS
Scientific/Foren Eqmt	514	320	(195)	415	(95) Removed non critical
Const in Progress	406	-	(406)	-	-
	980	545	(436)	1,205	(660)
Total Expense Before Depreciation	19,662	24,864	5,201	26,335	(1,471)
Depreciation	226	324	98	333	(9)
Total Expense After Depreciation	19,924	25,188	5,264	26,668	(1,480)
	3,033	330	(2,703)	311	20
Other Expense:					
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Total Cash Remaining for FY16		1			



HOUSTON FORENSIC SCIENCE CENTER
ADMINISTRATIVE POLICY MANUAL

POLICY:	Financial Conflict of Interest Policy	ISSUED BY:	Operations
APPROVED BY:	Peter Stout Chief Operations Officer	APPROVAL DATE:	
APPROVED BY:	Tom Allen Acting General Counsel	APPROVAL DATE:	
APPROVED BY:	Daniel Garner President and CEO	APPROVAL DATE:	
APPROVED BY:	Nicole Casarez Board of Directors Chair	APPROVAL DATE:	
EFFECTIVE DATE:		REVIEW DATE:	
<p><i>Note: Copies are uncontrolled when printed.</i></p> <p><i>Staff members using printed copies should verify with the Human Resources Division that they are using the correct version.</i></p>			

Policy Statement

A financial conflict of interest occurs when personal interests interfere, or appear to interfere, with the ability to make sound business decisions on behalf of Houston Forensic Science Center (HFSC). There are some common relationships or circumstances that can create, or give the appearance of, a conflict of interest. Generally, these situations involve gifts, business or financial dealings, investments, or any combination of these. The Financial Conflict of Interest Policy is designed to help identify situations that present conflicts of interest and to provide procedures to prevent, manage, and resolve conflicts appropriately and in accordance with the goals of ensuring objectivity, accountability, and transparency and preserving public trust in HFSC's operations. Any contract or transaction with any vendor, supplier, or other party doing business with HFSC in which the contract or transaction benefits the interested person (defined below) or a family member directly or indirectly is prohibited.

An interested person must disclose a conflict of interest if that person knows or reasonably should have known of the conflict, and he or she must disclose the conflict promptly. The expressions *conflict of interest* and *contract or transaction* are broadly defined in this policy.

Policy Number: TBD
Approval Date:
Replaces Policy No.: N/A
Uncontrolled When Printed

Author: HR Sub-committee; Ron Sandberg
Revised Effective:
Next Revision Due:

Applicability

This policy applies to all persons with decision-making authority regarding any HFSC contract or transaction. To the extent that any director or staff member has such decision-making authority, such person shall comply with this policy.

Purpose

The purpose of this policy is to protect the interests of HFSC in circumstances of conflicts of interest. This policy is intended to supplement but not replace any state and federal laws governing conflicts of interest applicable to publicly funded organizations.

Conflict of interest arises whenever the financial interest of an interested person (or a family member of such person) is at odds with the best interests of HFSC. Interested persons shall not engage in any business or financial activity that adversely affects or is detrimental to the best interests of HFSC.

This policy restricts or prohibits certain contracts or transactions involving interested persons and their family members. It also requires full and prompt disclosure of all conflicts of interest. Because public confidence is important in forensic operations, interested persons and HFSC must take appropriate steps to avoid even the appearance of impropriety. The procedures set forth below will assist in that effort.

Definitions

Board of Directors -- the HFSC Board of Directors.

CEO -- the president and chief executive officer (CEO) of HFSC or his/her designee.

Civilian -- a person providing services under the management responsibility of HFSC, but employed by the City of Houston in a job classification other than a sworn peace officer.

Classified -- a person providing services under the management responsibility of HFSC, but employed by the City of Houston in a sworn peace officer job classification.

Conflict of Interest

- A. Any of the following circumstances creates a financial conflict of interest:
- 1) An interested person (or a family member of such person) has or is negotiating a contract or transaction with HFSC (other than the person's HFSC employment contract) that could benefit him or her directly or indirectly.
 - 2) An interested person (or a family member of such person) has a substantial interest (defined below) in an entity that has or is negotiating a contract or transaction with HFSC.
 - 3) An interested person (or a family member of such person) has a substantial interest in an entity that competes with HFSC.
- B. The circumstances listed in part A above are conflicts of interest if they are actual (such as contracts in existence), potential (such as arrangements under discussion or negotiation), or create the appearance of impropriety.

Contract or Transaction -- any agreement or relationship involving the sale, purchase, or lease of property, goods, or services; providing or receiving a loan or grant; or an investment or any other type of financial relationship or arrangement. Making a gift to HFSC is not a contract or transaction.

Director -- a member of the Board of Directors.

Division Director -- any manager responsible for one of the HFSC divisions.

Employee -- a person directly employed by and on the payroll of HFSC, whether full-time, part-time, or temporary.

Family Member -- a spouse, parent, child, brother, sister, grandparent or grandchild, and spouses of children, brothers, and sisters of an interested person. "Step" relatives are included. The term also includes the cohabiting life partner of the interested person.

Interested Person -- any director or staff member with decision-making authority regarding any HFSC contract or transaction who appears to have or does have real or potential involvement or interest in a contract or transaction.

Staff Member -- any person who is a civilian, classified, or employee.

Substantial Interest

- A. A person has a substantial interest in an entity if any of the following are true:
 - 1) The person owns 10% or more of the voting stock or shares of the business entity or owns either 10% or more or \$15,000 or more of the fair market value of the entity.
 - 2) The person received funds from the entity that exceeded 10% of the person's gross income for the previous year.
 - 3) The person (or a family member of such person) is a member of the board of directors or an officer, partner, trustee, or legal representative of the entity.
- B. A person has a substantial interest in real property if the interest is an equitable or legal ownership with a fair market value of \$2,500 or more.

Supervisor -- any staff member with responsibilities that include supervision and management of other staff members.

Responsibilities

- A. Board of Directors—The Board of Directors is responsible for resolving or otherwise taking appropriate action regarding any conflict of interest disclosed by or relating to any director or the CEO.
- B. Chief Executive Officer—The CEO is responsible for administering the policy as it relates to applicable staff members; implementing processes and procedures to ensure that the policy is followed; and monitoring compliance with the policy. In addition, the CEO shall annually review the Financial Conflict of Interest Disclosure Statements that are required to be filed in accordance with this policy.
- C. Division Directors—Division directors are responsible for overseeing the administration of the policy in their area of accountability and for providing division-level direction for compliance.
- D. Supervisors/Managers—Supervisors/managers are responsible for overseeing the administration of the policy in their area of accountability and for providing area-level direction for compliance.

Procedures

General Guidelines

- A. Interested persons shall refrain from engaging in any conflict of interest.
- B. An interested person shall recuse himself or herself from the decision-making process, including any discussions or meetings, regarding contracts or transactions in which the interested person has a possible conflict of interest.
- C. Interested persons shall not accept gifts, gratuities, entertainment, or other favors from individuals or entities when the party offering the gift, gratuity, entertainment, or favor does so under circumstances that might create the perception that such action was intended to influence the

interested person in the performance of his/her duties. (Refer to HFSC *Gifts to Staff Members Policy* for further information.)

- D. Each HFSC director or officer shall also comply with Chapter 171 of the Texas Local Government Code, including Section 171.004, which requires in certain situations an affidavit and abstention from a vote or decision involving a matter in which a director or officer has a substantial interest in a business entity or real property.

Process of Conflict of Interest Identification, Disclosure, and Resolution

- A. The process for disclosure by an interested person who is a staff member (other than a director or the CEO) is outlined below:
- 1) An interested person must disclose a conflict of interest if that person knows or reasonably should have known of the conflict, and he or she must disclose the conflict promptly to his/her immediate supervisor.
 - 2) If it is not clear whether a conflict of interest exists, the interested person shall disclose the circumstances to his/her immediate supervisor.
 - 3) The immediate supervisor and the next level of leadership, if applicable, shall work with the interested person to gather all the relevant facts for presentation to the CEO.
 - 4) After disclosure, review of relevant facts, and discussion with the interested person, the CEO shall determine if a conflict of interest exists.
 - 5) If a conflict of interest exists, the CEO shall take appropriate action to resolve the conflict of interest in a manner that is fair, reasonable, and in the best interest of HFSC. At his or her discretion, the CEO may bring any conflict of interest issue to the Board of Directors for review and resolution.
- B. The process for disclosure by an interested person who is a director or the CEO is outlined below:
- 1) An interested person must disclose a conflict of interest if that person knows or reasonably should have known of the conflict, and he or she must disclose the conflict promptly to the chair of the Board of Directors.
 - 2) If it is not clear whether a conflict of interest exists, the interested person shall disclose the circumstances to the chair of the Board of Directors.
 - 3) The chair of the Board of Directors, or his/her designee, shall work with the interested person to gather all the relevant facts for presentation to the full Board of Directors.
 - 4) After disclosure, review of the relevant facts, and discussion with the interested person, the Board of Directors shall determine if a conflict of interest exists.
 - 5) If a conflict of interest exists, the Board of Directors shall take appropriate action to resolve the conflict of interest in a manner that is fair, reasonable, and in the best interest of HFSC.
- C. The process for disclosure by an interested person who is the chair of the Board of Directors shall follow the above procedures in part B, except that the chair shall disclose any conflict of interest to the vice-chair of the Board of Directors, who shall proceed in the role that would otherwise be performed by the chair.
- D. Upon resolution of a conflict of interest issue by the Board of Directors or the CEO, the resolution will be documented, as appropriate, either by the secretary of the Board of Directors in meeting minutes or by the CEO in meeting minutes or a memorandum to the file.

Annual Statements

Each director or staff member at the level of supervisor or above shall annually sign a Financial Conflict of Interest Disclosure Statement in the form attached hereto (Appendix A), affirming that such person:

- received a copy of the policy
- read and understood the policy
- agreed to comply with the policy
- truthfully completed the Financial Conflict of Interest Disclosure Statement

The completed disclosure statements shall be submitted to the secretary of the Board of Directors not later than June 1 of each year.

Compliance

- A. Compliance with the policy is an ongoing requirement; each interested person is accountable for ensuring his/her compliance.
- B. If the CEO or Board of Directors, as appropriate, has reasonable cause to believe an interested person has failed to disclose a conflict of interest, the interested person shall be informed of the basis for such belief and he/she shall be afforded the opportunity to explain the alleged failure to disclose.
- C. After hearing the individual's response and after making further investigation as warranted by the circumstances, the CEO or Board of Directors, as appropriate under this policy, shall determine:
 - 1) Whether the individual has failed to disclose a conflict of interest
 - 2) Whether a conflict of interest has occurred
- D. Based on the findings, progressive corrective action may be implemented under the direction of the CEO as appropriate to the interested person's status as civilian, classified, or employee.
- E. Based on the findings, appropriate action may be implemented under the direction of the Board of Directors.
- F. Any exception to this policy shall be approved by the Board of Directors.

Attachment—Appendix A: Financial Conflict of Interest Disclosure Statement

Appendix A



Houston Forensic Science Center Financial Conflict of Interest Disclosure Statement

This Houston Forensic Science Center ("HFSC") Financial Conflict of Interest Disclosure Statement is to be completed annually by all persons with decision-making authority regarding any HFSC contract or transaction. Completed forms should be submitted to the secretary of the Board of Directors by June 1 of each year.

1. I, _____, have received a copy of and have read and understand the HFSC Financial Conflict of Interest Policy (the "Policy"). I agree to comply with the Policy.
2. If I have an actual or perceived conflict of interest (as defined in the Policy), I will promptly disclose it as required by the Policy.
3. I do not have, nor am I negotiating, a contract or transaction (as defined in the Policy) with HFSC for goods or services (other than any employment contract that may exist between HFSC and me), and this statement is true with regard to any family member of mine (as *family member* is defined in the Policy).
4. I do not have (nor does a family member have) a financial interest in a contract or transaction that exists or is being negotiated between HFSC and any entity in which (a) I am (or a family member is) a director, officer, agent, partner, associate, employee, trustee, or legal representative or (b) I am (or a family member is) engaged in some other capacity.
5. I am not (nor is a family member) engaged in any capacity with a business or enterprise that competes with HFSC nor do I or a family member have a financial interest in a business or enterprise that competes with HFSC.
6. I do not and will not engage in any business or financial activity that adversely affects or is detrimental to the best interests of HFSC.
7. I will not accept gifts, gratuities, entertainment, or other favors from individuals or entities when the party offering the gift, gratuity, entertainment or favor does so under circumstances that might create the perception that such action was intended to influence me in the performance of my HFSC duties.

Check one of the following:

_____ I agree with all of the statements in this Financial Conflict of Interest Disclosure Statement. My statements concerning my family members are made to the best of my knowledge.

_____ I cannot agree with a certain statement (or statements). Below I identify the statement(s) by number and disclose the following circumstances:

Signature

Name Printed

Date