

Houston Forensic Science Center, Inc.

MEETING OF BOARD OF DIRECTORS  
MINUTES

October 9, 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 October 9, 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 October 6, 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 9:05 a.m. on Friday, October 9, 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, Anthony Graves, David M. Feldman, Dr. Robert "Bob" H. McPherson, Judge Willie E. B. Blackmon, Sandra Guerra Thompson, and Tom P. Allen (ex-officio).

The following Directors were absent: Dr. Enrique V. Barrera and Janet Blancett.

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 September 11, 2015 had been distributed to the Board. Mr. Feldman made a motion to approve the minutes of the September 11, 2015 meeting, and the motion was seconded by Judge Blackmon. The motion passed unanimously, and the minutes of the September 11, 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 experienced trace evidence examiners. Dr. Garner provided a technology report and noted that HFSC purchased an unmanned

aircraft system. He reported that HFSC is researching the regulations and requirements to be in full compliance with the law and to ensure that proper documentation is available to train personnel on safety protocols. Dr. Garner provided a media update. He noted that Houstonia magazine interviewed Board member, Mr. Graves, and an article will be published in December 2015. He provided a report on new business opportunities, noting that HFSC continues to receive inquiries from other agencies and departments regarding provision of services. Dr. Garner reported that HFSC received a grant for \$1.2M from the National Institute of Justice (NIJ) for the DNA area. Dr. Garner provided a training report, explaining that HFSC continues to develop a training schedule for both internal and external courses. He provided a report on planned initiatives. Dr. Garner reported that the move to 1301 Fannin continues to progress. He reported that HFSC will be completing fall business reviews in order to critically evaluate each section of the laboratory. He reported that HFSC plans to submit a grant application to the International Narcotics and Law Enforcement (INL) with Texas Southern University. Dr. Garner reported that he attended a meeting of the Jordan Foundation in New York in October 2015. He reported that he and Chairwoman Cásarez met with Mayor Parker and her staff regarding the HFSC budget.

- H. Dr. Barrera joined the meeting at approximately 9:13 a.m.
- I. Dr. Peter Stout, Vice President and Chief Operations Officer (COO), provided a Vice President's report. He reviewed the mixture of requests received in September 2015 and reviewed the controlled substances, firearms, biology, toxicology, and latent prints sections individually. Dr. Stout discussed turnaround times in the biology section as well as the impact of the FBI's recalculations to its DNA database. He noted that the fall business review will assist the HFSC to prioritize work, deal with technology changes, and address staffing challenges in the DNA section. Dr. Stout discussed the toxicology section's rejection of incorrectly submitted evidence, as well as its efforts to have evidence submitted properly. Dr. Stout reported that the latent prints section is preparing for an accreditation audit and has implemented a new process for handling AFIS results. Dr. Stout reported that HFSC is now managing the fleet of vehicles used within the crime scene unit and is gathering analytical data from the vehicles. He provided a report on the development of client services/case management and IT services within HFSC.
- J. Mr. David Leach, Chief Financial Officer (CFO) and Treasurer, provided a Treasurer's report. He reviewed the actual versus budget chart for September 2015 year-to-date. He reported that HFSC employee costs are under budget while City of Houston (COH) expenses and capital and non-capital expenditures are proceeding as planned. He noted that because HFSC departments are now being provided with department-level budgets, those departments are better able to proactively manage their expenses. Mr. Leach reported on a conference call he and Chairwoman Cásarez had with COH Finance, stating that all parties agreed that money earned from other sources would remain with HFSC to use as deemed appropriate for business. However, COH asked HFSC to establish a minimum fund balance with respect to money provided to it from the City. Additionally, COH Finance indicated it supports HFSC's effort to switch to a fee-for-service model. Mr. Leach reported that the HFSC finance department went from six employees to five



employees because of a departmental reorganization. He reported on training courses to be provided by the HFSC, and noted that information regarding revenue earned from training will be provided to the Board.

- K. Dr. McPherson provided a report on the annual external financial audit from Blazek & Vetterling. He went over the auditors' observations and Mr. Leach explained process improvements that had been adopted in response to those observations.
- L. Mr. Ron Sandberg, Attorney for the Corporation, presented the Financial Conflict of Interest Policy and Disclosure Statement amendments and explained the proposed revisions. Mr. Feldman made a motion to adopt the changes to the Financial Conflict of Interest Policy, and the motion was seconded by Dr. McPherson. The motion passed unanimously.
- M. Ms. Lori Wilson, Quality Director, provided a quality assurance report. She reviewed the Quality Update for September 2015. Ms. Wilson reviewed the incidents/corrective action/preventive action portion of the report. She reviewed the audits and inspections section and reported that a latent prints section internal audit was conducted in preparation for the accreditation assessment. She reported that the accreditation application will be submitted and the latent prints section should be accredited by the end of 2015. Ms. Wilson noted that blind quality control samples were added to the toxicology section's workflow and a report will be provided on the results. She reported that HFSC has implemented a health and safety program, a Health and Safety Specialist will be joining the quality division at the beginning of 2016, and the Health and Safety Manual has been revised. Ms. Wilson reported that HFSC successfully completed all requirements for the ISA/IEC 17025 2015 surveillance desk assessment, ANAB concluded that HFSC's management system conforms to requirements, and accreditation will be granted for another year. Ms. Wilson reported that the quality division is focused on the accreditation timelines for digital, audio/video, and crime scene unit and an additional timeline will be included next month for the trace evidence section.
- N. Mr. Allen provided a report regarding the Texas Forensic Science Commission (TFSC) meeting. He noted that at the meeting, the TFSC presented a five-point program to respond to issues regarding DNA mixture analysis. He reported that the entire commission will meet on December 2<sup>nd</sup> to discuss licensing, and the next regularly scheduled TFSC meeting will be held on February 11<sup>th</sup> and 12<sup>th</sup>.
- O. Dr. Barrera provided a report regarding the Technical Advisory Group (TAG) including discussion of its purpose, current status and membership, and its activities. Chairwoman Cásarez provided a report on the current TAG directors and noted that there are currently two TAG vacancies. Dr. Barrera explained the selection process for members of the TAG, and Chairwoman Cásarez requested that Dr. Barrera determine if a membership term was defined in previous TAG correspondence. Chairwoman Cásarez asked that a working group consisting of Dr. Barrera, Ms. Blancett, and Ms. Thompson work together to reactivate the TAG, determine if the existing members are still willing to serve, and determine what areas of expertise are and should be represented.

Chairwoman Cásarez reported that Dr. Barrera asked to discontinue his position as liaison to the TAG. She appointed Ms. Blancett liaison to the TAG and thanked Dr. Barrera for his three years of service.

- P. Charles Evans, Director of Business Development, presented a proposal to create an HFSC Foundation as a 501(c)(3) tax-exempt organization. Dr. Garner explained that certain grant applications, such as the INL grant, require the 501(c)(3) designation. After discussion, Mr. Feldman made a motion that the Center be authorized to pursue 501(c)(3) status for the Corporation itself, and the motion was seconded by Dr. McPherson. The motion passed unanimously.
- Q. Chairwoman Cásarez reported that the Board voted to increase Dr. Garner's compensation at a previous Board meeting, which required a revision to his employment agreement. She reported that Mr. Allen prepared the employment agreement with Mr. Feldman's assistance, the contract was delivered via email to the members of the Board, and both Dr. Garner and Chairwoman Cásarez executed the revised employment agreement. Chairwoman Cásarez made a motion that the Board ratify her signature on the revised employment agreement. Mr. Feldman and Dr. Barrera seconded the motion. The motion passed unanimously.
- R. There being no other business, the meeting was ADJOURNED at 12:13 p.m.

Houston Forensic Science Center, Inc.

By: \_\_\_\_\_

Ashley Wieringa

Secretary





**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:	
	Tom Allen Acting General Counsel		
APPROVED BY:	Daniel Garner President and CEO	APPROVAL DATE:	
	Nicole Casarez Board of Directors Chair		
EFFECTIVE DATE:		REVIEW DATE:	
<i>Note: Copies are uncontrolled when printed. Staff members using printed copies should verify with the Human Resources Division that they are using the correct version.</i>			

**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 the lesser of either (a) 10% of the person's gross income for the previous year or (b) \$2,500 in 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.
  - E. Each interested person shall also comply with Chapter 176 of the Texas Local Government Code, which requires the person to file with HFSC a conflicts disclosure statement with respect to certain vendor relationships.
  - F. HFSC expects its vendors to comply with Chapter 176 of the Texas Local Government Code, which requires each vendor to file with HFSC a conflicts disclosure "questionnaire" with respect to certain relationships. HFSC will include in each of its vendor contracts a requirement that the vendor comply with Chapter 176 and a provision allowing HFSC to void the contract in the event of the vendor's noncompliance.

**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 with decision-making authority regarding any HFSC contract or transaction 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. The secretary of the Board of Directors shall maintain, and shall post on the HFSC website, certain completed disclosure statements and questionnaires in accordance with Sections 176.0065(2) and 176.009(a) of the Texas Local Government Code.

**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. Note that disclosure statements will be posted on HFSC's website. See Section 176.009(a) of the Texas Local Government Code.*

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:

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\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name Printed

\_\_\_\_\_  
Date