



HEALTH SERVICES AGENCY  
ADMINISTRATION

# COUNTY OF SANTA CRUZ<sup>0085</sup>

## HEALTH SERVICES AGENCY

P.O. BOX 962, 1080 EMELINE AVENUE  
SANTA CRUZ, CA 95061

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October 26, 2000

AGENDA: November 14, 2000

Board of Supervisors  
County of Santa Cruz  
701 Ocean St.  
Santa Cruz, CA 95060

RE: Approval of Conflict of Interest Policy for Health Services Agency

Dear Board Members:

### Background

The County requires a Conflict of Interest policy for each Department which is to be approved by the Board of Supervisors. The Health Services Agency is in the process of updating its policies and procedures in a number of areas, and one of the policies that needed updating was the Conflict of Interest policy. The attached policy has been reviewed and approved by County Counsel as appropriate and in compliance with County, State, and Federal requirements which address this area.

### Recommendation

It is therefore RECOMMENDED that your Board:

Approve the proposed Health Services Agency's Conflict of Interest policy.

Sincerely,

Rama Khalsa, Ph.D.  
Health Services Administrator

RECOMMENDED:

Susan Mauriello  
County Administrative Officer

Cc: CAO

HSA Administration

Auditor-Controller

Mental Health Administration

County Counsel

COUNTY OF SANTA CRUZ  
HEALTH SERVICES AGENCY

**Policy & Procedure Manual**

**Subject:** CONFLICT OF INTEREST AND INCOMPATIBLE  
ACTIVITIES

**Procedure No:** 100.10

**Date Effective:** Page 1 of 2

**Date Revised:** **Responsible for Updating:**  
**HSA Administrator**

**Approval:** \_\_\_\_\_  
Health Services Agency Administrator

Specified activities have been determined by the County to constitute a “conflict of interest” or “incompatible activities” for county employees. A number of HSA employees complete annual disclosure forms to insure that no conflicts occur.

Although only a few employees must disclose their property and investments, all County employees are subject to the “Incompatible Activities” code which are part of the County Code (3.40.020), the Personnel Practices and Procedures Manual (Section 173) and can be found in the new Employee Handbook (page 200-19). The Board adopted specific requirements and prohibited activities appropriate for the employees of each department. The following requirements and prohibitions apply to all Health Services Agency employees:

1. Use of County owned or provided equipment, materials, or property for personal benefit or profit is prohibited.
2. Use of influence as a County employee for personal benefit or profit, is prohibited.

3. Engagement in any activities, which affect the employment or compensation by the County of any immediate family member within the first or second degree of relationship, is prohibited.
4. Staff members are also prohibited from employment by or receipt of compensation for any reason whatsoever, from any person, company, corporation, or other entity which sells or provides services, products, or consultation to the County of Santa Cruz, or to patients, clients, wards, or conservatees thereof.
5. Employment for personal benefit or profit or volunteer activities in community agencies and interests, the performance of which interferes with adequate performance by the County employee, is also prohibited.
6. Self-referral or referral to other providers with whom any economic interest is established of any patients, clients, wards, or conservatees enrolled or admitted to County-provided services and for whom outside consultation, diagnosis, or treatment is deemed advisable.

The County Code says that all employees have the right to request a written interpretation from their department head regarding the application of these rules. If the employee disagrees with the interpretation, there is a provision for an appeal

Violation of these rules are grounds for disciplinary action, including suspension or dismissal. Please talk with your immediate supervisor or Service Chief if you have any questions about how these rules apply to you. Each division has different types of events that may constitute a conflict or interest under this policy. Some divisions have specific policies, which provide for interpretation of these events. Feel free to request clarifications as needed in your area of work.

3.40.010

**Chapter 3.40****CONFLICTS OF INTEREST AND  
INCOMPATIBLE ACTIVITIES****Sections:****3.40.010 Adoption of conflict of  
interest codes.****3.40.020 Incompatible activities  
designated-Rules.****3.40.010 Adoption of conflict of  
interest codes.**

Each department shall adopt a conflict of interest code in accordance with the Political Reform Act of 1974, which shall designate those persons who make, participate in making, or use their official position to influence a governmental decision within the meaning of said Act (see 2 Cal. Adm. Code Section 18700). (Prior code § 4.45.010: Ord. 2398, 3/1/77)

**3.40.020 Incompatible activities.**

A. A county officer or employee shall not engage in any employment, activity or enterprise, for compensation, which is inconsistent, incompatible, in conflict with or inimical to his or her duties, functions or responsibilities of his or her

appointing power or the county. Such officer or employee shall not perform any work, service or counsel for compensation outside of his or her county employment where any part of his or her efforts will be subject to approval by any other officer, employee, board or commission of the county, **unless** otherwise approved in the manner prescribed by subsection B of this section.

B. Each appointing power may determine, subject to the approval of the board of supervisors, those outside activities which, for employees under its jurisdiction, are inconsistent with, incompatible to or in conflict with their duties as county officers or employees in accordance with subsection (b) of Section 1126 of the Government Code.

C. The board may adopt personnel rules governing the application of this section. Such rules shall include provision for notice to employees of the determination of prohibited activities, of disciplinary action to be taken against employees for engaging in prohibited activities, and for appeal by employees from such a determination and from its application to an employee. (Ord. 3620 § 28, 1985; Ord. 3602 § 28, 1985; prior code § 4.45.020: Ord. 2398, 3/1/77)

## SECTION 173

## INCOMPATIBLE ACTIVITIES

The Board of Supervisors in accordance with Government Code Section 1126 and Santa Cruz County Code Section 3.40.020 has adopted departmental rules relating to incompatible activities for county employees. As is provided within these rules your department may have adopted more specific restrictions for its employees in the area of incompatible activities. You should inquire of your supervisor as to whether separate departmental rules exist for your department. In the absence of departmental rules, you are subject to the provisions of State law as outlined in this section.

## SECTION 173 INCOMPATIBLE ACTIVITIES

- A. All employees not covered by departmental rules adopted pursuant to Government Code Section 1126 (b) and Santa Cruz County Code Section 3.40.020 (b) shall be subject to Government Code Section 1126 (a) which provides :

A local agency officer or employee shall not engage in any employment, activity, or enterprise for compensation which is inconsistent, incompatible, in conflict with or inimical to his/her duties as a local agency officer or employee or with the duties, functions or responsibilities of his/her appointing power or the agency by which he/she is employed. Such officer or employee shall not perform any work, service or counsel for compensation outside of his/her local agency employment where any part of his/her efforts will be subject to approval by any other officer, employee, board or commission of his/her employing body, unless otherwise approved in the manner prescribed by subdivision (b) of County Code Section 4.45.020.

- B. All departments shall give notice to all existing employees and all new employees of the departmental rules and these rules.
- C. Violation of these rules may, in the discretion of the employee's appointing authority, be grounds for disciplinary action including but not limited to suspension or dismissal.
- D. All employees have the right to request a written interpretation from their department head (or, in the event there is no department head, their appointing authority or CAO) regarding the application of departmental rules. Within two weeks, written notification shall be given to the employee as to whether the activity is permitted under the rules. An employee shall then have two weeks to appeal to the Review Board.
- E. The application or interpretation of the rules or departmental rules by an employee's department head or appointing authority is subject to the employee's right of appeal as provided in Section F.
- F. Appeals shall be heard by a Review Board composed of representatives from the Personnel Department, County Counsel's Office and the County Administrative Office. The Personnel Director or his representative shall be the ex-officio clerk for the Review Board.

Appeals by employees shall be heard within two weeks and a decision rendered within one week. All decisions by the Review Board shall be final, and no further appeals are allowed.