

# Accountability, Ethics, & Conflict of Interest Questions for Campus IT Professionals

## The EDUCAUSE Executive Officers

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**T**he past decade has been marked by many incidents of U.S. corporate corruption, insider schemes, and ethical violations. For example, Enron and World-Com fell into bankruptcy, depriving their employees of jobs and destroying the life savings of employees and investors alike. The scandals reinforced many people's distrust of large corporations, even those innocent of any wrongdoing. This heightened distrust led to new, across-the-board federal rules and regulations. Laws like the Sarbanes-Oxley Act of 2002 put into place checks and balances to ensure greater corporate accountability.

Yet corporations are not alone in falling short of ethical conduct. The Watergate political scandal of the 1970s ushered in an era of legislation concerning conflict of interest and disclosure in government; and in the summer of 2007, Congress passed new reforms in the wake of scandals involving lobbyists. In addition, trusted nonprofit organizations, such as the United Way, have also been involved in scandals. The result has been a public desire for "transparency"—a clear and comprehensible understanding of what is going on in an organization, government, or corporation—to ensure that the stated mission has not been subverted by personal gain or backroom deals. In the current environment, even the perception of wrongdoing can undermine credibility.

Higher education too finds itself facing accountability, ethics, and conflict-of-

interest questions, most recently due to the student loan scandal in which several financial aid officers allegedly received perks and kickbacks in return for recommending a lender's services and in which institutions received "finder's fees" based on loan activity with individual lenders. These and other incidents have called into question the credibility of everyone in higher education—even IT organizations that clearly have no connection to the alleged misconduct. As in all scandals, the actions of a few mean that all of us in higher education must review our actions, policies, and practices to ensure that we are behaving not only in an ethical and appropriate manner but in ways that cannot even be *perceived* as unethical or inappropriate.

Jobs have been lost as a result of the student loan scandal. But the repercussions also affected others in the profession, such as members of the National Association of Student Financial Aid Administrators (NASFAA). The association itself appears to have done nothing inappropriate; nevertheless, to avoid any hint of impropriety, NASFAA eliminated all corporate support from its 2007 conference. Other associations are being questioned about their corporate relationships—not due to any impropriety but due to suspicion stemming from the student loan scandal. The IT profession is not immune to these issues, making this an opportune time for the IT community in higher education to examine its standards for accountability, ethics, and conflict of interest.

Since its creation, EDUCAUSE has had very clear policies and practices defining

its interactions with corporate partners (<http://www.educause.edu/GuidingPrinciples>). These principles set the highest standard possible, ensuring that corporate participation remains positive and does not contribute to any impropriety, either real or perceived. In addition, EDUCAUSE, as an association, has specific policies regarding conflict of interest, as well as ethical conduct, for its employees and board members. Its financial and business practices align with Sarbanes-Oxley even though, as a nonprofit, the association is not required to adhere to those regulations. EDUCAUSE has always worked to ensure a fair, ethical environment—and always will.

NASFAA was criticized for not having a code of ethics, perhaps in the belief that such a code might have reduced the potential for misconduct. Many organizations have articulated codes that spell out beliefs; however, codes cannot govern an individual's actions—only the individual can do so. Many colleges and universities have codes of conduct that define appropriate and inappropriate behavior for their employees, taking into account the local context. But national or international codes of conduct often become either overly general and unenforceable or too specific to be of practical value in differing contexts. Rather than promoting such national/international codes of conduct, it is more beneficial for organizations like EDUCAUSE to encourage members to carefully review and adhere to their *institutional* policies on ethical conduct and conflict of interest.

For this reason, EDUCAUSE has chosen to invest its time in educating its members about professional ethics rather than duplicating—or potentially confusing—the codes of conduct of its member institutions. A code becomes meaningful only when an individual understands how to put it into action. The focus of EDUCAUSE is on ensuring that its members are able to reason through ethical dilemmas and make choices that are best for their institutions and the profession. All professionals should carefully review such policies on a regular basis, involving staff to ensure that the entire unit understands and complies with the guidelines. But responsibilities go a step further: individuals must not just act appropriately—they must be trusted to act appropriately.

Unfortunately, scandals often produce overreactions. For example, the student loan situation has resulted in calls for the complete elimination of all contact between financial aid professionals and the loan industry. The abolition of any dialogue may be impractical, impossible, and ill-advised. For the IT community, the prohibition of a robust dialogue with companies would be disastrous. It is essential that campus IT personnel talk with the corporate community about needs, requirements, and product concerns. Preventing all dialogue would also unnecessarily complicate the task of supporting campus IT needs.

To avoid even the appearance of impropriety, IT personnel who interact with suppliers or business partners should be aware of the increased level of scrutiny. As IT personnel consider their actions, and those of their units, the following questions may stimulate a dialogue about ethics, accountability, and conflict of interest. And again, perceptions may be as important as reality. A litmus test is to ask how a situation would look if it appeared on the front page of the campus or local newspaper.

- **Conflict of interest.** Do you find yourself in situations where you could be perceived as exploiting your professional position for personal or corporate gain? Does your campus have a clear conflict-of-interest policy? Are potential conflicts of interest avoided in procurement negotiations and decisions? Are such policies

adhered to consistently? Is your staff fully aware of these policies and your expectations for adherence? No college or university would want a headline reading: “CIO awards multimillion-dollar IT contract to brother’s firm. Attorney general vows to investigate.”

- **Corporate advisory committees or boards.** If you sit on an advisory committee or board for a corporation, is the rationale for your service personal gain (e.g., paid compensation), influence for your institution, or the good of the profession? Does the perception of your participation shift if you are compensated? Might paid advisory committee or board compensation bias you in favor of the vendor and affect procurement decisions? Imagine a story in the local or campus newspaper that reads: “CIO receives undisclosed stipend from Company X for advice, then awards \$10 million contract to Company X. University asserts no unfair bias, saying the CIO was serving on an advisory committee.” How believable will an assertion of innocence sound—even if you are without blame?
- **Business ownership.** Do you have a substantial stake or ownership in a business entity that has material business interests, either directly or indirectly, with the institution you serve? Has this entity conducted business with your institution? Have you disclosed your ownership interest to your employer? To peers who might look to you for advice? In addition to possible conflicts of interest, are there—or could there be a perception of—any conflicts of commitment between obligations to your institution and those to your business?
- **Campus events.** If a campus IT event has corporate sponsors, are the terms and conditions clearly defined? Are all potential sponsors treated the same? Is there any implied *quid pro quo* that could be perceived as violating campus procurement policies? Suppose the campus newspaper ran a story that began: “#1 Sponsor of campus IT event awarded contract for all campus laptops. Student government and trustees call for investigation.”
- **Personal consulting.** If you have consulted for a company, have you disclosed

your prior consulting relationships? Have you distanced yourself from any direct involvement in decision-making involving that firm? If you advise other colleges and universities about specific products, will you be perceived as being biased against competing products?

- **Non-disclosure agreements.** Do campus policies require that you reveal your participation in nondisclosure agreements? If you have entered into nondisclosure arrangements, are these known by your supervisor?
- **Personal investments.** Do you avoid engaging in stock transactions that might be interpreted as being based on insider information, such as information you gathered from a corporate advisory committee or in a nondisclosure situation?
- **Implied endorsements.** Do you avoid the implied endorsement of companies by not wearing their shirts or otherwise indicating a preference for specific products?

This is only a sample of the questions that might be asked of IT personnel. Ethics is not limited to issues of appropriate corporate relations; many other issues are critical, such as privacy in electronic environments. There is no single right or wrong answer for all institutions in all situations: extenuating circumstances might alter a decision about what is acceptable. Some decisions involve legal issues; others are culturally based on campus practices or perceptions. Even so, IT personnel must understand that distrust can be as damaging as a real scandal.

Beyond its existing policies and practices, EDUCAUSE will address issues of accountability, ethics, and conflict of interest in its professional-development program. EDUCAUSE is committed to developing case studies, articles, opinion pieces, and other resources that will help all members of the EDUCAUSE community further reflect on these issues and take appropriate action. The goal of EDUCAUSE is to ensure that the higher education IT profession has the knowledge and skills needed to address ethical decisions appropriately.

*If you have specific suggestions on how EDUCAUSE can support your efforts, please e-mail us at <info@edUCAUSE.edu>.*