

**THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION**

ACTION REQUEST

Subject: Regental Action Required Under the State of Michigan Conflict of Interest Statute

Action Requested: Authorization for the University to transact with John U. Bacon, LLC (University of Michigan Employee, John Bacon, Owner)

Background:

The University of Michigan School of Dentistry seeks approval to transact with John U. Bacon, LLC ("John U"). John Bacon is a well-known University of Michigan sports author and the U-M Orthodontic Alumni Association requested that he speak at their Biennial Dinner meeting, followed by a book signing of the "Endzone: The Rise, Fall, and Return of Michigan Football" which he authored.

The proposed agreement falls under the State of Michigan Conflict of Interest Statute as John Bacon is a University employee as Lecturer 1 with the School of Education and would be a party to the contract as Owner of John U.

However, the Statute allows the University to enter into such agreements if the following conditions are met:

- a) The public servant promptly discloses any pecuniary interest in the contract to the official body which has power to approve the purchase, which disclosure shall be a matter of record in its official proceedings.
- b) The purchase is approved by a vote of not less than 2/3 of the full membership of the approving body in open session without the vote of the public servant making the disclosure.
- c) The official body discloses the following summary information in its official minutes:
 - i) The name of each party involved in the contract.
 - ii) The terms of the purchase, including duration, financial consideration between the parties, facilities or services of the public entity included in the purchase, and the nature and degree of assignment of employees of the public entity for fulfillment of the purchase.
 - iii) The nature of any pecuniary interest.

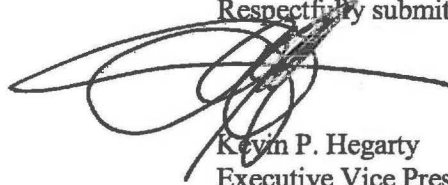
The following information is provided in compliance with the statutory requirements contained in Section (c) above:

- i) The parties to the contract are the Regents of the University of Michigan and its School of Dentistry and John U.
- ii) The agreement is for John Bacon to speak at the U-M Orthodontic Alumni Association Biennial Dinner meeting followed by a book signing. The total cost of the speaker fees and the purchase of 85 books is \$1,500.
- iii) The pecuniary interest arises from the fact that University of Michigan employee, John Bacon is Owner of John U.

John Bacon has met state law requirements with the disclosure of his pecuniary interest and formal appointment arrangements with the University of Michigan. Requirements, if any, that may be applicable under the Medical School's or OVPR's Conflict of Interest Committee's procedures are separately analyzed and managed.

We recommend that the Board of Regents approve the agreement between the University of Michigan and John U subject to requirements, if any, that either the Medical School's or OVPR's Conflict of Interest Committee may impose.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Kevin P. Hegarty', is written over the typed name and title below.

Kevin P. Hegarty
Executive Vice President
and Chief Financial Officer

May 2016