

Conflicts of Interest: What You Need to Know

If you have been reading *The Chronicle of Higher Education*, *The Wall Street Journal* or even *The Morning Call* over the last several months, then you are probably aware of New York Attorney General Andrew Cuomo's investigations into certain practices of the student loan industry. Mr. Cuomo alleges that some colleges and universities have accepted compensation and other incentives from financial aid lenders in exchange for a spot on the college/university's "preferred lender" list. The result of this practice, according to Mr. Cuomo, is that students' borrowing choices have been inappropriately limited and based upon perquisites given to the school or its administrators rather than upon the economic value to the student. While I'm happy to say that Lehigh has not been involved in the practices that led to these investigations, some other Pennsylvania universities have received investigation notices and have entered into settlement agreements with the New York Attorney General.

These investigations have highlighted for me the value of reading and understanding the University's *Policy on Conflict of Interest*, which can be accessed at <http://www.lehigh.edu/~policy/university/coi.htm>. According to the Policy, as employees of Lehigh University, we are expected to maintain the highest standards in all associations and activities and to conduct all of our activities in a manner that will withstand the sharpest scrutiny.

Potential conflicts of interest may not always be obvious. The Policy states that a conflict of interest exists whenever a Trustee, Officer, Faculty, or Staff Member or any member of their immediate family has a significant relationship whether economic or otherwise as owner, investor, officer, director, trustee, partner, employee, consultant or recipient of a gift (whether in money, goods or services, of a value greater than \$100 whether received directly or indirectly) with any entity (person, firm, corporation, or organization) that supplies or receives funds, good, services, or required approvals to or from the University, or proposes to do so in the near future. It also includes a continuing relationship with any other entity engaged in the delivery of educational or other services which may influence the exercise of an employee's professional judgment on behalf of the University.

If you become aware of or concerned about a potential conflict of interest, or if you are unsure whether the definition applies to a particular situation, please contact Bob Eichenlaub, the Director of Internal Audit, at 8-5012, or our office at 8-3572 for guidance. You may also make a confidential report by calling the Ethics Hotline at 610-758-2500. All reports will be investigated.