Ethical Principles and Code of Conduct Opinion

Opinion Number: 1001-11

Issued: March 21, 2011

Issue

The Ethics Complyline has received an allegation by an anonymous source that University of Kentucky Chief Information Officer Vice Kellen has purchased, with University funds, thousands of dollars worth of software (1) for which he owns intellectual property rights and (2) that is sold by a company in which he owns stock or has a financial interest.

Facts

Vince Kellen is Chief Information Officer for the University of Kentucky. He was previously Vice President for Information Services at DePaul University where he had served as a faculty member. Prior to joining DePaul, Kellen was a principal with Blue Wolf, Inc., a company focused on wireless and CRM strategies. Prior to that, Kellen held two positions with Scient, an e-commerce technology consulting firm. Kellen is a former partner and CRM practice leader at marchFIRST. A national and international speaker on CRM, the Internet and technology issues, Kellen has authored four books on database technology.

While working with business partner Dan Ehrmann in the mid 1990's, Kellen was the inventor of software known as IPMS (Integrated Project Management System). Kellen assigned all rights to the software to Ehrmann's firm, Gembrook (Ehrmann was formerly a faculty member at DePaul. He is now an entrepreneur in information technology). Gembrook owns all rights to the software today. When interviewed, Kellen stated that he owns no interest in Gembrook.

In July 2009, Kellen's unit UKIT purchased a license for use of the IPMS software. The purchase price was $5,000 and the purchase was through a purchase order. The software is used in UKIT for project planning, tracking, and reporting; it also has a time-entry component.

Applicable Regulations

<u>Governing Regulation I.D.2 Conflict of Interest</u>
"The public's respect and confidence in the University of Kentucky must be preserved. Confidence in the University of Kentucky is put at risk when the conduct of University members does, or may reasonably appear to, involve a conflict between private interests and obligations to the University. All University members shall avoid conduct that might in any way lead members of the general public to conclude that he or she is using an official position to further professional or private interests or the interests of members of his or her family. In conducting or participating in any transaction, full disclosure of any real or perceived conflict with personal interests and removal from further participation in such matters is required....The University recognizes that actual or potential conflicts of interest may occur in the normal conduct of research and other activities. A conflict of interest can also arise if an employee's professional judgment is or may appear to be influenced by personal interests. It is essential that potential conflicts be disclosed and reviewed by the University. After disclosure, the University can make an informed judgment about a particular activity and require appropriate oversight, limitations, or prohibitions in accord with this policy...."

<u>Governing Regulation I.D.2 Financial Advantage</u>

"Members of the University community must exhibit personal integrity, honesty and responsibility in all actions. Official position or office shall not be used to obtain financial gain or benefits for oneself or members of one's family or business associates. Any action that creates the appearance of impropriety should be avoided. Except as specifically approved by the Board, purchases and contracts shall not be made with an employee of the University of Kentucky for any item of supply, equipment, or service, nor may an employee have any interest, directly or indirectly, in any purchase made by the University of Kentucky…."

Furthermore, at the end of "Financial Advantage," there is a section whereby an exception for an unusual case concerning financial interest may be approved by the Board of Trustees.

Rationale / Discussion

Based on the facts, the Ethics Committee does not believe that there is any merit to this complaint. There is no conflict or an appearance of a conflict of interest and no financial advantage to Mr. Kellen. Unless the anonymous poster has other facts that s/he is willing to share with the Committee, this allegation is terminated.

Members of the Ethics Committee

C: Vince Kellen, Chief Information Officer

Dr. Lee T. Todd, Jr., President

Dr. Kumble Subbaswamy, Provost

Dr. Michael Karpf, Executive Vice President for Health Affairs

Frank Butler, Executive Vice President for Finance and Administration

Members of the Ethics Committee:

Dr. Jeannine Blackwell, Dean, The Graduate School

Dr. Judith Lesnaw, Professor, Biology Department, College of Arts & Sciences & University Senate Representative

David Melanson, Public Relations Office & Staff Senate Representative

Brett Short, Chief Compliance Officer, UK HealthCare

Jack Supplee, Director, Administrative & Fiscal Affairs, Office of the Vice President for Research, Associate Director & Secretary for UK Research Foundation

T. Lynn Williamson, Sr. Associate General Counsel

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