



RELATED PARTY AND NEPOTISM

The Mississippi Department of Education recognizes that Related Party Transactions and Nepotism are in violation of State law, are not in the best interests of the public, and can present potential or actual conflicts of interest.

A related party is defined as a relationship in which one party has significant influence or control over another party. These relationships may lead to a conflict of interest, either implied or actual. Section 25-4-3, Miss. Code Ann. (1972), defines a public servant as any elected or appointed official of the government, officer, director, commissioner, supervisor, chief, head, agent, or employee of the State, political subdivision or any other body politic, or any individual who receives a salary, per diem, or expenses paid in whole or in part out of government funds. Section 25-4-105, Miss. Code Ann. (1972), prohibits a public servant from being involved in any related party transactions to obtain financial benefits for any relative or any business with which he is associated.

The following activities may indicate a related party transaction:

- Acting as a contractor, subcontractor, or vendor, or having a material interest in an entity serving as a contractor, subcontractor, or vendor, for the governmental entity the public servant is associated with;
- Acting as a purchaser at a government sale of the governmental entity the public servant is associated with;
- Accepting compensation to influence a decision of the governmental entity the public servant is associated with;
- Using or disclosing information gained in the course of employment as a public servant for financial benefit.

If an employee or contractor becomes aware that they or a family member may be involved in a related party transaction the employee or contractor should immediately complete the Related Party Questionnaire located under forms on the Human Resources webpage (www.mdek12.org/Forms/RelatedParty) and submit it to the Director of Procurement.

Nepotism is defined as favoritism or patronage granted to relatives without regard to merit. Section 25-1-53, Miss. Code Ann. (1972), prohibits the hiring of any person related by blood or marriage within the third degree as computed by civil law. These persons include parents, grandparents, great-grandparents, children, grandchildren, great-grandchildren, siblings, nieces and nephews, and aunts and uncles.

In accordance with this law, the Department of Education prohibits the hiring of such family members in the following situations:

- There is a direct reporting relationship;
- The immediate family member will be working in the same program area and in the same work site; or
- The immediate family members will occupy positions in the same “decision making” process which would compromise internal controls (i.e. decisions regarding approval of contract, payment of fees, or acceptance of proposals).

Any employee involved in the recruitment and selection process should not be an immediate family member of a prospective candidate. Any applicant who withholds or gives false information regarding personal relationships may be terminated, and any employee involved in the hiring process who knowingly violates this policy may be disciplined up to and including termination. Supervisors should not supervise immediate family members where there may be a conflict of interest arising from personal relationships.

Acknowledgment of Receipt:

Signature

Print Name

Title

Date