



TEXAS WOMAN'S  
UNIVERSITY

1901 - 2001 CENTENNIAL

General Counsel  
P.O. Box 425497, Denton, TX 76204-5497  
T 940-898-3250  
F 940-898-3244

FILE # ML-42016-D1  
I.D. # 42016

March 22, 2001

Attorney General John Cornyn  
Attorney General of Texas  
P. O. Box 12548  
Austin, Texas 78711

RECEIVED

MAY 31 2001

OPINION COMMITTEE

RECEIVED

MAY 29 2001

OPEN RECORDS DIVISION

Attn: Susan Gusky

RQ-0387-JC

Dear General Cornyn:

An Attorney General's Opinion is requested regarding the following question:

Whether a new regent at a state university who is an employee and officer of a bank with whom the university has a continuing banking relationship has a pecuniary interest in that bank when the regent is not a stockholder, has no ownership interest in the bank and has no participation with regard to the management of the university account with the bank, and whether the state university may continue to contract with such bank when contracts are awarded based upon sealed bids and that regent abides by such statutory safeguards as full disclosure and abstaining from voting on matters relating to such contract.

The Governor's Office was aware of the continuing relationship between the new regent, the bank, and the university prior to the appointment of the regent by the Governor.

This subject was discussed in Attorney General's Opinion JM-817 and additional opinions including JM-671, H-624, MW-179, and H-1309. JM-817, for instance, states that "State universities are subject to the common law rule which prohibits a public officer from having a direct or indirect financial interest in a contract entered into by the governmental body of which he is a member." However, this and other opinions cited approach the subject more from the perspective of an ownership interest in the company rather than simply being an employee and officer of the company in question. We suggest that such a salary and position do not constitute a pecuniary interest for the purpose of common law conflict of interest.

Sincerely yours,

John Lawhon  
General Counsel  
Texas Woman's University

Simply the **BEST**