Journal of the American Association of Grant Professionals

AAGP Mission:
The American Association of Grant Professionals (AAGP), a nonprofit 501(c)(6) membership association, builds and supports an international community of grant professionals committed to serving the greater public good by practicing the highest ethical and professional standards. To achieve this mission, AAGP:

- Serves as a leading authority and resource for the practice of grantsmanship in all sectors of the field.
- Advances the field by promoting professional growth and development.
- Enhances the public image and recognition of the profession within the greater philanthropic, public, and private funding communities.
- Promotes positive relationships between grant professionals and their stakeholders.

AAGP does not discriminate in its provision of services due to race, color, religion, national origin, ancestry, ethnic group identification, sex, age, sexual orientation, and/or condition of physical or mental disability in accordance with all requirements of Federal and State Laws.

About This Publication:
The Journal of the AAGP is a professional journal devoted to the improvement of the grants professional and the profession. It is a resource for teaching and learning within the profession and provides an outlet for sharing information about the profession. It also provides a forum for the discussion of issues within the grants profession and the expression of philosophical ideas.
Dear Reader:

The preamble of the AAGP Code of Ethics states that AAGP “is committed to serving the greater public good by practicing the highest ethical and professional standards.” The Code of Ethics serves as a guide for grant professionals’ day-to-day practice. One way to practice high ethical and professional standards is to think and talk about ethics issues.

Our intention for this issue of the Journal is to highlight ethical issues currently facing grant professionals and to provoke deeper reflection on these topics. Susan Linn's article investigates “Whether grant review panels ethical and fair, Lindsey Brandolini Hoham asks “How do classical ethics concepts, such as conflict of interest, apply in grantsmanship?” Michael Wells wants to do battle against grant scam companies, and an anonymous author describes what it’s like inside one.

In thinking on the research base of ethical aspects of our profession, the Editorial Board concludes that there is a dearth of research. Moreover, the profession in general lacks a research base. Much of the work of today’s grant professional is based on practice wisdom: simply put, we do what works. Often, this is based on what others experienced and successful professionals have learned through results they have achieved. But to practice with the highest degree of integrity, our work should be research-based. We call upon AAGP members to build a research foundation for our profession by contributing to the Journal.

The Editorial Board also welcomes and strongly encourages you to share your ruminations, constructive criticism, and praise for these articles through letters to the editor, which will be considered for publication in a future edition.

We remind you that the Journal is published semi-annually. Visit the AAGP website (www.grantprofessionals.org) to learn about submission deadlines; articles are considered anytime during the year.

Sincerely,

The Editorial Board
Journal of the American Association of Grant Professionals
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An Exploratory Study of the Fairness of Grant Review Panels
By Susan Linn

Susan Linn has been working in the grants industry for more than 10 years. As the Grants Coordinator for the Newton Public Schools, a K-12 public school district near Boston, she writes proposals and manages $9+ million in grants annually. More than 95% of the proposals she writes are funded. She is a Board Director of the American Association of Grant Professionals (AAGP). She has served on nine federal and one nonprofit grant review panels over the past five years.

Abstract

Grant review panels are a common vehicle for making funding decisions that involve hundreds of billions of dollars each year, particularly at the federal level. This paper describes an initial exploration into the fairness of grant review panels through interviews with 10 experienced panelists. The results show initial support for grant review panels as a fair method of making grant awards. While panelists interviewed for the study faced a number of ethical dilemmas, they felt empowered to address these situations to maintain fair and ethical practice in grant review panels.

Grant review panels are a common vehicle for selecting organizations for funding in a grant competition. The process is used by numerous federal agencies (e.g., US Department of Education, US Department of Health and Human Services, US Department of Labor, to name a few), state agencies, nonprofit organizations, and private foundations. Hundreds of billions of dollars of grant awards are made in the United States each year. Grants.gov, the federal storehouse for information on grant programs, is the gateway to $400 billion in annual federal grant awards (Grants.gov, 2007). Although grant review panels are a common method for deciding which applicant organizations are selected for funding, yet there is almost no research on the fairness of grant review panels. As initially observed by Mayo et al. (2006), this is particularly problematic as grant funding increasingly favors or demands the funding of evidence-based programs, the grant review process itself is not evidence-based.

Although the grant review process is not evidence-based, it is relatively formalized. Often, federal grant panels consist of three panelists and a panel chair or monitor whose role is to facilitate discussion. Panelists are given a series of grant applications to read and score independently, based on the grantor’s scoring criteria. Each application is then discussed via telephone conference call with panelists offering their perspectives on an
applicant’s strengths and weaknesses. Final scores and written comments are submitted to the grantor, who then makes funding decisions based on panel recommendations. At the federal level, many reviews are now conducted remotely (i.e., panelists do not meet face to face). Face-to-face panel reviews remain common at the state and local level where there are no or modest costs for travel and lodging for panelists.

**Current Literature**

A review of the literature on grant review panels yielded a dearth of published material on the subject. A review by Mayo et al. (2006) found a similar lack of research on the peer review process for grant applications. Whaley, Rodriguez and Alexander (2006) found that grant review panels at the Substance Abuse and Mental Health Services Administration and the National Institute of Mental Health had not been examined in terms of reliability and that reviewers had a great deal of latitude in drawing on their own experience to score applications. The authors also examined the grant selection processes of several private foundations and found them to be subjective. As a result, they developed an objective rating form for grant proposals for use by the Hogg Foundation for Mental Health. The authors found that the “psychometric properties are sufficient to recommend its use in the foundation’s review process and suggest private philanthropies’ grant proposal review processes can be made more objective and reliable without compromising validity” (p. 3). However, a report on the implementation of the form in practice by the foundation yielded less favorable results (Whaley, 2006).

There is some literature on issues associated with grant awards made for research purposes. In fact, the *Journal of the American Medical Association* and BMJ Publishing Group hold an International Congress on Peer Review and Biomedical Publication, the sixth of which will be held in September 2009. Their website announces that their aim is in part “to improve the quality and credibility of biomedical peer review and publication” (Journal of the American Medical Association, 2007, Peer Review Congress homepage).

A study presented at the Fifth International Congress on Peer Review and Biomedical Publication concluded that, “there is a considerable amount of chance associated with funding decisions under the traditional method of assigning the grant to two main reviewers” (Mayo et al., 2006). The study authors recommend using panels of 10 grant reviewers to arrive at reliable funding decisions in making grants to researchers.

Demicheli and Di Pietrantonj (2007) reviewed 10 studies on the grant peer review process in making research grants and concluded:
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There is little empirical evidence on the effects of grant giving peer review. No studies assessing the impact of peer review on the quality of funded research are presently available. Experimental studies assessing the effects of grant giving peer review on importance, relevance, usefulness, soundness of methods, soundness of ethics, completeness and accuracy of funded research are urgently needed. Practices aimed to control and evaluate the potentially negative effects of peer review should be implemented meanwhile (p. 1).

In light of the lack of literature on the grant panel review process, especially grants outside of the research field, the present study is intended as an initial exploration into the fairness of grant review panels from the panelists’ point of view.

Method

The author posted an invitation for subjects to be interviewed for the current study on the listserv of AAGP on June 11, 2007. The invitation stated that the author was “doing some research on how fair grant review panels are.” It also said, “I am looking to interview about 10 people who have sat on at least three grant review panels (federal, state or private) in the last five years. Phone interviews will take about 30-40 minutes. To protect confidentiality and ensure that interviewees can speak candidly, participants will not be identified in the article, should one result.”

Thirteen people responded, and interviews were scheduled with all. Of these, two interviews were cancelled and the subjects were unable to reschedule. One subject indicated that all of the grant reviews she had conducted were solitary; that is, there were no panel discussions of the grant applications. Therefore, the results from this interview were excluded from the results. The interview instrument was pilot tested with one individual. Because the pilot test did not result in any changes to the survey interview instrument, those responses were included in the results. In total, 10 interviews conducted between June 13 and July 11, 2007 comprise the data. The interview instrument consisted of 22 questions, which are described in the next section. Interviews lasted between 20 and 45 minutes.

The subjects reported that they had sat on an average of 28 panels over the past five years. The range was three panels to one hundred and seventy-five (175) panels. At the top of the range, the next highest number of panels participated in was 24. When the outlier of 175 was removed, the average number of panels sat on by subjects over the last five years was 12. All subjects had sat on grant review panels for federal agencies such as the US
Department of Education and the US Department of Health and Human Services. Four of the ten had also sat on state grant review panels. Four had sat on nonprofit grant review panels, such as their local United Way. Two also noted experience sitting on review panels for their local government. All but one subject reported active membership status with AAGP.

Results

This study provides data in four areas: in the fairness and ethics of grant review panels, the ethical dilemmas faced by panel members, the role of the AAGP Code of Ethics, and on improving the fairness of grant review panels.

Rating the Fairness and Ethics of Grant Review Panels

Subjects were asked three Likert scale questions to rate the ethics and fairness of grant review panels. After answering these questions, subjects were asked to reflect on whether they had experienced an ethical dilemma, were given a series of grant review panel scenarios with possible ethical implications, and were asked questions about the relevance of the AAGP Code of Ethics. Subjects were then asked the three Likert scale ethics and fairness questions again to determine if there was consistency between ratings and whether subjects’ ratings would be impacted by a discussion of possible ethical dilemmas facing grant review panelists. The results of the ethics and fairness questions are shown in Table 1.

Table 1. Subjects’ Ratings of the Ethics and Fairness of Grant Review Panels

<table>
<thead>
<tr>
<th>Items</th>
<th>Average Initial Rating</th>
<th>Average Second Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>On a scale of 1 to 10, how fair, on average, would you say that the grant review process is to the applicants, with 10 being very fair?</td>
<td>7.9</td>
<td>7.9</td>
</tr>
<tr>
<td>On a scale of 1 to 10, how ethical, on average, would you say that your fellow reviewers acted in the grant review process, with 10 being very ethical?</td>
<td>9.2</td>
<td>9.1</td>
</tr>
<tr>
<td>On a scale of 1 to 10, how ethical, on average, would you say that your panel monitor or chair acted in the grant review process, with 10 being very ethical?</td>
<td>9.3</td>
<td>9.0</td>
</tr>
<tr>
<td>Average across all three dimensions</td>
<td>8.8</td>
<td>8.7</td>
</tr>
</tbody>
</table>
Ethical Dilemmas Faced by Grant Review Panelists

Subjects were asked, “Have you ever faced an ethical dilemma as a grant reviewer? If so, please describe.” Eight of the ten subjects (80%) reported that they had experienced one or more ethical dilemmas. Dilemmas included (a) subject felt forced to review a technically ineligible application; (b) subject felt conflicted about not funding an application that would have provided important resources to the community, but which made technical errors in the application and/or missed the grant deadline; (c) subjects discovered identical applications, either written by the same person for different agencies or by the same agency for programs in different regions; (d) subjects felt that panel chairs were incompetent; and (e) subjects felt that fellow panel members were incompetent. In every case, the subjects reported attempts to resolve the dilemma, which included advocating for successful resolution within the grant panel and/or with the panel chair, reporting problems to the federal program officer or supervisor of the panel chair, and filing official reports to document the panelist’s concerns. No subjects reported a lack of action with regard to the perceived dilemmas they reported.

Next, subjects were given a set of six scenarios representing possible ethical problems. For example, the first scenario was:

You find yourself in a situation with an overbearing panel monitor. During the orientation, you learned that the panel monitor’s job is to remain neutral. While the monitor himself has told you that he is to be neutral and just facilitate discussions, he seems to be pushing you and/or your fellow panelists in a certain direction.

For each scenario, subjects were asked whether they had experienced a situation similar to the one described, and if so, what action they took. All but one subject had experienced one or more of the six scenarios. The total possible number of instances was 60 (i.e., 10 subjects presented with six scenarios); the total number of scenarios actually experienced by subjects was 31. Table 2 shows the percent of subjects experiencing each dilemma. For each scenario that subjects had experienced, every subject described actions they took to confront the problem; all of the subjects reported taking some action to resolve every dilemma.
Table 2. Percent of Subjects Experiencing Mock Ethical Dilemmas

<table>
<thead>
<tr>
<th>Brief Description of Mock Scenarios</th>
<th>Percent of Subjects Who Experienced Scenario</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overbearing panel monitor/chair who is acting outside of the scope of his/her neutral role and is exerting inappropriate influence</td>
<td>40%</td>
</tr>
<tr>
<td>Panelists have inadequate time to review applications before panel discussions</td>
<td>40%</td>
</tr>
<tr>
<td>Fellow panelist is unprepared for panel discussions</td>
<td>80%</td>
</tr>
<tr>
<td>Fellow panelist is taking a liberal approach to scoring grant applications</td>
<td>80%</td>
</tr>
<tr>
<td>Panel monitor/chair divulges privileged information on funding cut-off score and encourages panel to raise its score to meet the cut-off</td>
<td>20%</td>
</tr>
<tr>
<td>Fellow panelist asks the panel to consider information he/she has from personal experience about an applicant that is not included in the grant application</td>
<td>50%</td>
</tr>
</tbody>
</table>

If subjects had not experienced the situation (N = 29), they were asked what they think they should do in the situation, and they were also asked what they would do in the situation. In all but two instances, the subjects stated that the actions they would take were the same as the action they should take. In one case, the subject answered they would “probably” take the action he/she should take, and in another, the subject stated he/she was “unsure” what action he/she would take.

**Role of the AAGP Code of Ethics**

Subjects were asked if they were familiar with the AAGP Code of Ethics. Nine of the 10 subjects were familiar with the Code; the one person who was not was not an active member of AAGP. The nine subjects who were familiar with Code were asked, “Did the AAGP Code of Ethics ever help you in any of the aforementioned ethical situations?” Two of the nine said “yes” (note: one of the nine had not experienced any of the scenarios). The nine subjects who were familiar with the Code were also asked, “Can you think of examples when the AAGP Code of Ethics might be useful to you as a grant reviewer?” Six of the nine could think of examples, and three of the examples related to general behavior advanced by the Code of Ethics that should govern all members’ behavior as grant professionals, including behavior on grant review panels. Finally, subjects were asked, “Would citing the AAGP Code of Ethics help you in working with your panel monitor,
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Improving the Fairness of Grant Review Panels

At the conclusion of the interviews, subjects were asked, “Do you feel that the grant review panel is a good way to decide which applicant organizations receive funding in a grant competition?” Six subjects said, “yes,” three said “somewhat fair,” and one said “no.”

Finally, subjects were asked for recommendations to improve the fairness of grant review panels. Three subjects made similar suggestions with regard to ensuring that there are standard grant review panel procedures and abiding by these procedures. Three subjects had experience with conducting face-to-face federal grant reviews as well as remote reviews (e.g., those conducted via conference call). They stated that the in-person panels were more fair, albeit costly and likely cost prohibitive. Two suggested that selecting grant review panelists with more experience in the subject area would improve the fairness of grant review panels. Other individual suggestions included (a) avoid third-party for-profit contractors running the review panels, (b) offer novice applicants extra points (note: many federal programs already implement this practice), (c) ensure cultural diversity of panelists, (d) ensure that all parties understand their roles in the review process, (e) share written comments before panel discussions, (f) connect the panelists to the grant outcomes by keeping them informed of which applicants receive funding, (g) use different panelists every year, and (h) provide better training for reviewers. One subject stated, “There are no easy answers.”

Discussion

The results show that subjects generally felt that grant review panels are a fair way to make funding decisions in a grant competition. On a scale of 1 to 10, subjects rated the fairness of the process to applicants as 7.9, and this rating remained unchanged even after subjects had discussed multiple problems that could impede the fairness of the grant review panel process. Subjects also felt that, to a very great extent, their fellow panelists and panel monitors acted ethically.

This is true despite the fact that subjects commonly faced situations that could impede the fairness of grant review panels. However, subjects seemed...
to feel empowered to address potential ethical situations and to advocate for solutions that kept the integrity of the grant review panels. Virtually all of the subjects felt that they would do what they should do when faced with an ethical dilemma. All of the subjects who had experienced ethical dilemmas took some action to correct the problem. Therefore, while grant review panels commonly involve ethical dilemmas that could negatively effect the fairness of grant review panels, the panelists themselves feel empowered to advocate for courses of action to protect the integrity of the process.

While 90% of the subjects were familiar with the AAGP Code of Ethics, only 20% found it helpful in resolving ethical situations related to grant review panels. Most relied on the Code of Ethics as a general guideline to ethical behavior and did not feel it would be helpful in resolving specific ethical dilemmas on grant review panels. However, the results suggest that the Code may become more useful to grant professionals to resolve ethical dilemmas as grant reviewers as AAGP grows and becomes more familiar to grant-making institutions and fellow grant review panelists.

**Conclusion**

This initial exploration into the fairness of grant review panels shows initial support for the grant review panel process as a fair way of making grant funding decisions. While imperfect, it is the most fair and practical method available for making grant awards. Panelists who are grant professionals are empowered to tackle ethical dilemmas and problems to help ensure that the process is as fair as it can be.

**Limitations**

This study was an initial exploration of the fairness of grant review panels from the panelists’ perspective. As such, it has numerous limitations. For one, subjects were recruited from the listserv of AAGP. Because subjects knew the topic of the study, there is likely a self selection bias in that only those with an interest in the fairness of grant review panels likely volunteered to participate. Further, the study used a very small sample size that brings into question whether the results can be generalized. In addition, the subjects are not representative of all grant review panelists. All of the panelists were grant professionals, but grant review panels generally include faculty, practitioners and other experts who have little or no experience in the grants profession. Finally, subjects were interviewed about their ethical behavior, and while they were guaranteed confidentiality, it is possible that a survey, which could also afford anonymity, would yield different results;
subjects may not have felt comfortable describing situations in which they did not act ethically.

Directions for Future Work

The lack of research into grant review panels makes this an area ripe for further exploration. Further scientific studies on the fairness of the grant review panel from the panelist’s perspective and experimental studies that examine the reliability and validity of grant review panels, especially outside of the field of grants to researchers, are sorely needed. For example, there appears to be no research that examines how different panels score the same application. Similarly, there is no published research on how the trend toward remote review panels instead of face-to-face reviews has impacted the fairness of grant review panels. More research is desperately needed to determine the soundness of the grant review panel as a method for making billions of dollars of grant awards each year.
Acknowledgements

The author wishes to express her gratitude to the volunteers who were interviewed for this exploratory study.

References


Journal of Clinical Epidemiology, 59, 842-848.


Conflict of Interest in the Grant Professions
By Lindsey Brandolini Hoham

Lindsey Brandolini Hoham is a Grants Administrator for the Resource Center for Independent Living (RCIL) in Utica, New York. Lindsey writes state, federal, and foundation proposals and provides grant support to approximately 100 programs within the agency. She is a member of the Mohawk-Hudson Chapter of AAGP. Lindsey holds a B.A. from Colgate University in Hamilton, New York.

Abstract

Conflict of interest is an emerging topic in the field of professional ethics. Less than a century old, the definition is still evolving. While the concept can be vague, considering conflict of interest will help grant professionals maintain the integrity of the field. This paper will examine the concept of conflict of interest. It will create a working definition of conflict of interest as it applies to the grant professions. Additionally, an argument for why this topic matters will be posed and examples of conflict of interest will be identified and examined. Finally, recommendations will be made regarding ways of handling conflict of interest issues that arise in the profession.

Most of the norms and rules in the grant professions are concrete; proposals are particular lengths, budgets are no greater than a set dollar amount, grants are due on time and not a minute later. But what about the part of the profession that is not so concrete? These abstractions to which I refer are the ethics behind the profession. And more specifically, the potential conflict of interest that arises as grant professionals strive to achieve success for their organizations or clients. Conflict of interest is an emerging topic in the field of professional ethics. Less than a century old, the definition is still evolving. While sometimes vague, conflict of interest issues must be considered by grant professionals in order to maintain the integrity of the field. This paper will examine the concept of conflict of interest and create a working definition of conflict of interest as it applies to the grant professions. Additionally, an argument for why this topic matters will be posed. Examples of conflict of interest will be identified and examined. Finally, recommendations will be made regarding ways of handling conflict of interest issues that arise in the profession.

Definitions

The definition of conflict of interest is complicated. Davis and Stark (2001) define conflict of interest based on the relationship involved.
They state, “P [person] has a conflict of interest if, and only if, (1) P is in a relationship with another requiring P to exercise judgment in the other’s behalf and (2) P has a (special) interest tending to interfere with the proper exercise of judgment in that relationship” (p. 8). While this definition begins to identify important components of conflict of interest, it appears to be too broad. A relationship can mean any contact between two entities. Merely having a casual connection with an entity does not necessarily mean there will be conflict. Further, Davis and Stark correlate special interest with interference. A mother may have a special interest in the local high school sports program because her son is a star football player. But this does not mean that she will support the installation of a turf field, as the school board may be suggesting. Although she has a special interest in the sports program (especially the football program), this interest will not necessarily interfere with her ability to make a budgetary recommendation (through casting her vote) for the school. This is an especially interesting case in that it involves both familial as well as fiduciary obligations, two of “the most common sources of conflict of interest” (Davis & Stark, 2001, p.9).

In contrast to Davis and Stark’s use of special interest, Michael Pritchard (2006) uses the term obligation. His definition of conflict of interest states, “A conflict of interest is a conflict of one or more interests with not another interest but with an obligation” (p.62). Whereas the first definition seemed too broad, this definition appears to be too narrow. Conflict of interest can occur in instances where there are two obligations, such as to an employer and to an organization where one volunteers.

Just as complicated as the definition of conflict of interest is, the world in which this conflict can arise is equally complicated. Long gone are the days of simplicity in work or home. Obligations come from every direction, every day. This fact must be taken into account when forming an inclusive definition of conflict of interest. While varying to a degree, Pritchard’s argument is similar to Davis and Stark’s in that there is an emphasis on relationships and their importance to the potential conflict. There is no doubt that some level of relationship is needed in order for conflict of interest to exist; but not all relationships will set the stage for this to occur.

So what does this mean for the grant professions? Grant professionals are constantly balancing obligations, responsibilities, and interests, and they must be conscious of potential and perceived conflicts of interest. The following is a working definition of conflict of interest as applied to the grant professions:
Conflict of interest exists when an individual is in a position between two entities where their actions will have (or potentially could have) a negative effect on one entity, or a relatively negative effect than would otherwise be the case.

This definition is useful to the grant profession for two reasons. First, it is broad enough to encompass many types of relationships. While most definitions of conflict of interest require the relationship to exist between a professional and a personal responsibility, this definition allows for professional vs. personal as well as professional vs. professional responsibilities. There are instances wherein a conflict of interest can arise due to the complex nature of professional responsibilities and ethics, with no personal interest involved, as will be explained later.

The second unique component of this definition refers to the “relatively negative effect” that may exist as a result of a grant professional’s actions. Whereas a “negative effect” is quite clear in the grant professions (a grant request is denied), a “relatively negative effect” is less defined. An example of this relative effect is an instance where a requesting organization receives a reduced amount of funding as a result of the grant professional’s actions when placed in situation between two entities. Had the professional taken care to prevent a potential conflict, the funding result may have been different. It matters less why there is a negative effect, as much as the fact that the negative effect exists. It must be the goal of professionals in all fields to avoid these negative effects. This definition is appropriate for grant professionals due to the results-driven nature of the profession. It is the job of grant professionals to obtain results for their organizations or clients. As such, it is important to focus on the outcomes as much as the process.

Why does it matter?

There are three primary reasons why it is imperative for grant professionals to understand and pay attention to potential conflicts of interest: ethics, relationships, and trust. Pritchard states that “because of the relationship between certain otherwise perfectly legitimate interests and certain obligations, there is an ethical concern that must be addressed” (p. 64).

Ethics are certainly important to conflict of interest considerations, although they are at times difficult to define and often based on opinion. As will be discussed later, the ethical concern is particularly present in the event one knows of a conflict, but chooses to ignore it. While there are certain issues or circumstances in which most people would agree on an ethical decision, there is no handbook that will define ethical decisions in
every situation. At some point, ethical decision-making is turned over to individuals and left to interpretation. To behave ethically, individuals can only do their best with the information they have at any given point in time.

Relationships are an important component of the work of grant professionals. Relationships can be the basis of funding opportunities, outreach, networking, job development, and more. Grant professionals typically value these relationships very highly and would take great measures to protect them. Conflict of interest can have a detrimental effect on relationships, both internally and externally (Fischer, 2000). This is not to say that a relationship is automatically doomed if a conflict of interest arises; but it does mean professionals should take care to protect themselves, their organizations, and their clients.

The third importance of conflict of interest relates to trust (Fischer, 2000). The grant professions inherently involve a high level of trust; grant professionals are trusted to obtain accurate information, make reasonable requests to funders, provide accurate budgets, and maintain the integrity of their organization’s mission, just to name a few. If a conflict of interest arises and knowledge of that conflict is disseminated, it is possible the trust of the grant professional may be compromised. A lack of trust can be detrimental to the success of a grant professional.

**Examples of conflict of interest**

Because conflict of interest issues are complex and difficult to define, the following four examples from the grants profession may provide some clarity:

1. A grant professional writes two proposals, for two agencies, to the same funding source. This problem could present itself if one is a grant consultant, or if an individual has a primary employer, but does grant work on the side. Some would argue that if the writer is strictly professional, this will not be a conflict of interest because the writer will be highly objective. This paper argues that no matter how professional and objective a writer is, there will be a level of bias; this bias may be translated into the proposal and one of the two agencies may suffer. To go back to the working definition of conflict of interest, one agency may realize a “relatively negative” effect than would be the case if the grant professional worked exclusively for their organization.

2. A grant professional writes a proposal to a funding source wherein they sit on the board of directors. This could be a problem for two reasons. The first is an actual conflict of interest—the board may have a say in who receives funding. The second is the perception
of conflict of interest among the public and other members of the community. Even if the board of directors is not involved in the grant making process, the public may not be aware and the conflict might look suspicious.

3. A grant professional receives commission on a grant award. Similar to general fundraising, commissions on grant awards present a very obvious conflict of interest. “The conflict of interest,” states Fischer, “is that if a fund raiser’s own personal income is correlated with the size of the gift, it takes their attention off of the organizational mission and refocuses it onto their own personal financial well-being” (p. 170). While some conflicts can be acceptable if precautions are taken, this conflict is never acceptable. In fact, the practice of accepting commissions is strictly prohibited in both the American Association of Grant Professionals (AAGP) and Association of Fundraising Professionals (AFP) Codes of Ethics (AAGP Code of Ethics, 2006 and AFP Code of Ethics, 2004).

4. Taking money from a foundation whose mission doesn’t match the organization’s mission. This is perhaps the vaguest example of a conflict of interest and the one most frequently left up to interpretation. If, for example, an organization applies for a grant to support community recreation initiatives for individuals with disabilities from a funding source whose purpose is to support institutional living, this could present a conflict of interest. Although the funding source may be willing to support the recreation program, it is in direct conflict with the mission of the requesting organization. In this scenario, the requesting organization does not believe in institutionalization and it would be doing a disservice to the organization’s clients to accept money from a foundation who is a proponent for institutional living. Although grant professionals are in the business of bringing funding into an organization, it should never jeopardize the organization’s mission.

**Recommendations**

Conflicts of interest are unavoidable. They will occur in all professions and in many varying situations. In order to maintain ethics and trustworthiness, grant professionals must deal with potential, real, and perceived conflicts of interest. Davis and Stark agree there are three ways of dealing with conflicts of interest. These include escaping the conflict, disclosing the conflict, and managing the conflict (Davis and Stark, 2001).
The first option, escaping the conflict, would be the best solution for the first, second, and third examples presented previously. In the first and third examples, escape really means “Don’t do it!” In the second example where the grant professional was also a member of the board of directors, it would be most appropriate to escape this conflict by stepping out of the room while the proposal was being discussed and by not participating in any voting or decision making related to that proposal (Davis and Stark, 2001).

The second option, disclosure, is the most common way of handling conflict of interest. “Disclosure…prevents deception and gives those relying on P’s [person’s] judgment the opportunity to give informed consent to the conflict of interest,” states Davis and Stark (p. 13). In many instances, disclosing a potential conflict of interest is sufficient to maintain ethics and trustworthiness. Disclosure may help with the first and second examples above.

The third method of dealing with conflict of interest is to manage the conflict. Davis and Stark define managing to mean “a partial realignment of interest, not enough to eliminate the conflict, but enough to make it seem likely that benefits will more likely repay the costs” (p. 14). In the fourth example regarding an organization’s mission, management of the conflict may be the most appropriate option. While it is not recommended to take money from a foundation whose mission is wholly opposite of your client organization, it is possible to find a middle ground; perhaps the two entities could embark on a collaborative project that would bring individuals from institutional settings into the community for various activities. This solution would not violate either entity’s mission and would create positive change in the community.

In a real-world conflict of interest dilemma, how should a grant professional make a good decision? There are two equally important considerations when dealing with conflicts of interest:

- What does the individual believe is the right thing to do?
- What codes of ethics is the professional held to?

While this paper cannot teach what is ethical and what is unethical, it is a basic assumption that individuals in the grant professions will maintain high ethical standards. In making a decision, grant professionals should feel confident that the decision is ethical and right for themselves, their organizations, and their clients. Professionals may not always agree about the ethics of a particular decision, but it is the responsibility of each individual to make the best decision possible with the information available to them. It is
also imperative that professionals maintain the standards described in their codes of ethics.

Codes of ethics are important for two primary reasons, as described by Anderson (1996). The first reason states that codes “guide us to identify, objectify, and verbally safeguard important interests or values of the individual, the organization, and others” (p. 101). The second reason states that codes have a “potential for eliciting trust” (p. 101). Codes not only protect the individual, but they also protect the profession as a whole. As AAGP continues to grow and develop, it is critical to maintain the highest ethical standards. The AAGP Code of Ethics states that “members shall disclose all relationships that might constitute, appear to constitute, conflicts of interest.” Even if a professional disagrees about the validity of a conflict of interest, AAGP states the importance of disclosure (other professional organizations have their own sets of ethics). It is the responsibility of each member to abide by these codes. If a professional maintains personal ethical standards and follows set ethical guidelines, conflict of interest issues will more easily be resolved.

Conclusion

Conflict of interest is a complicated topic. There are very few straightforward answers and often more questions are raised than answers given. Although complicated, it is important for professionals to begin to understand conflict of interest issues and ways of dealing with them. This paper provided definitions and examples of conflict of interest. It also provided a case for the importance of these issues. Finally, recommendations were provided on how to best deal with conflict of interest. Conflict of interest can certainly present difficulties, but is an important consideration of ethics in the grant professions.
References


Commentary: Grant Scams
By Michael Wells

Michael Wells is a partner in Grants Northwest and has been consulting since 1987. He has worked with dozens of nonprofit organizations, health clinics, Native American tribes and local governments and has helped them to raise over $50 million. He is a Certified Fund Raising Executive and teaches grant writing at Portland State University. Michael is editor of Charity Channel’s online newsletter Grants and Foundation Review and a board member of the Grant Professionals Certification Institute.

A couple of months ago I got one of those dinnertime telemarketing phone calls. But as I was getting ready to give my “I’m not interested” speech, the caller said “You can get $8,000 in free government grants to do anything you want with. And you never have to pay it back.” So of course as a grant writer I decided to hear him out. He said they would have a local representative contact me, all I had to do was give him my bank account information and mother’s maiden name so they could deduct $299.95 for the service. I made up some numbers and a name, but when I asked questions about a phone number where I could call back or an address he wouldn’t tell me, only that my local representative would give me that information. He did say the name of the company was National Grant Services.

After my telemarketing call I phoned the FBI who took my information and told me there was nothing they could do, but that they get lots of these calls. They referred me to the Federal Trade Commission and Better Business Bureau, both of which said they get thousands of complaints and inquiries. But of course, there is not much they can do either. According to the New York Consumer’s Board, the Federal Trade Commission has shut some of these down, but of course they keep popping up elsewhere. At work I got a voicemail of a recorded message that said “…if you want to get a piece of the American Pie, now is the time to act. The Foundations have until December 31st to distribute their grant awards and we can help you get your share of free money.”

It is clear the “grants for everybody” industry is getting more aggressive. One indication is the number of calls I get from potential clients requesting grant writing help to get “free money.” As a grant writing consultant for almost 20 years, I never used to get calls about for-profit businesses or home purchases, now I average two or three a month from poor souls who have paid dozens
to hundreds of dollars to someone who told them about “free government money.” When it didn’t work, they did a web search and called me, thinking that they just needed a more professional approach. Other consultants around the country tell me they get the same calls.

The grant scam artists are on every medium. Here are a few of the most visible:

- The best known is Matthew Lesko, the skinny guy in the question mark suit on late night TV ads. His specialty is books: “How to Write and Get a Grant,” “Free Money for a Better Home,” “Free Money to Quit Your Job,” “Free Money to Pay Your Bills” and a downloadable “Matthew Lesko Federal Money Finder for Business.” These run from $59.95 to $99.95 and are lists of hundreds of state and federal programs from food stamps to enterprise zones, all of which are of course very restricted and most of which are not “grants” for which an individual can directly apply. There’s a long waiting list for these books at my local library. Lesko is also all over the web: www.lesko.com, www.mlesko.com, www.freemoneytopayyourbills.com and more.

- National Grants Conferences, which tours the country doing “Free Introductory Conferences.” They’re also on late night TV and run full page ads in local newspapers, similar to the ubiquitous “Get Rich in Real Estate” meetings. I went to one of the grants conferences, and the speaker spent most of his time telling us how he’d moved into a bigger house and gotten wealthy using government grants, and how if we didn’t sign up we were losers. He also mentioned some grant opportunities which virtually nobody in the room would be eligible for, referring to them by acronyms and numbers. The pitch is to get you to pay for a two day workshop and buy a “membership” which of course keeps being charged to your credit card. They’re on the web at http://nationalgrants.com/ns/ngc/.

- The Internet, which is flooded with “free money” rip-offs. To get a taste of the variety out there, do a Google search for “grants” or “government grants” and look at the banner ads across the top and down the side. There are even a couple (Grants Exposed, Scammer Alert) that warn against the others and advise you to only buy their book.
Of course, by the time this article is published these companies may have “gone out of business.” Unfortunately, they will just be reborn under a different name or Internet address.

These scam companies are not an ethics issue in grant writing, but it is unethical behavior attached to our profession. These con artists have nothing to do with legitimate grants. They’re in the same category as the Nigerian Oil Money and European Lottery scams, the promise of money for nothing to naïve and clueless citizens. As grant professionals we’re all hurt by this, if only by the wasted time of talking to the scam victims. But I think worse is the misinformation about grants it spreads and the slightly slimy feeling it gives the field.

This isn’t an area where I think GPCI credentialing will make a difference in the foreseeable future because the scam artists aren’t in the grants world at all; they could as easily be selling “get rich in real estate foreclosures” scams or pyramid schemes. Likewise the targeted victims aren’t our clients, they are generally poorly educated, low income individuals who are looking for a lifeline and have no connection with the nonprofit world.

There have been grant scam artists successfully prosecuted around the country, but rarely. It is a lot of work for a local prosecutor, and it is often a complex case because the perpetrators skim the truth; the result is generally just a fine and “cease and desist” order. Some Better Business Bureaus have put out warnings about grant scams. One thing grant writers and AAGP could do is contact local BBB’s who get calls asking about the scams and educate them about legitimate grant writing. Another is to write opinion pieces for local newspapers when these calls start coming in locally. Public education is probably the best solution in the long run.
Case History: The Choice Between Survival and Ethics: 
Working for a Grant Scam Company 
By Anonymous

I am a goody-two-shoes. I would never consider doing anything against the law or to hurt, intentionally, another human being. I have very strong personal and professional ethical beliefs that I have always taken seriously. I do not cheat, lie, steal, or deceive. It is just not in my nature.

So when I discovered that the company I was working for was considered to be one of the leaders in grant scamming, I was in a terrible bind. My instincts told me to quit immediately and run as fast as I could away from any association with them. My mind and my sense of survival told me I had to tolerate it until I could find another job or I would starve or lose everything—I did not think I could recover financially. I made the decision to stay until another position was offered to me, but I also decided to make it my responsibility to do no further harm.

How I Coped

At first, I tried in vain to reason with the owners of the company and explain to them that what they were doing was immoral (I really wanted to say “borderline criminal,” but I didn’t). I told them they were committing fraud by lying to clients about the chances of getting grants. Although I was a source of great amusement for them, I was steadfast in my commitment to myself to verbalize my objections regarding their practices, even if they refused to change them.

Over time I found a few cracks in their foundation, and I used these cracks to subvert some of the company’s sleazy practices. First, I learned that one of the worst culprits of the lies (and their top salesman) was a devout Christian. There were regular comments from clients regarding the things he had promised them which were outright lies. I made getting to know him and finding opportunities to speak to him a daily routine. I spoke to him about the sales pitch and educated him about grants and what they are and are not. All he knew about grants was what he had been told by the owners of the company and was surprised to learn much of what I shared. I worked up to the day when I asked him, “In terms of your religious convictions, how can you lie to people about the grants and know that you are stealing their money?” He told me that every morning, his voicemail was full of calls from clients who were angry with him. It bothered him to hear those calls and he wanted to get them to stop. I helped him rewrite his own sales pitch so he was no longer lying to clients and encouraged him to be a “good Christian”
in his work life as well as his personal life. He quickly slipped from top salesman in the company but he confided in me that he was sleeping better and thanked me for helping him.

Second, I chose my work carefully. The company had several hundred small non-profit organizations as clients in addition to the thousand or so for-profit organizations and individuals who had been convinced that they had a good chance of getting a grant. I refused to work on any for-profit or individual grant seeker client file. I did not go to the management and say that I was refusing to work on any particular group of clientele; I just made it my own policy. I put all my energy and time to work for the non-profit clients. These were organizations that did not have resources to hire a grant writer on their own because they were small, under-funded, rural, or simply over-extending themselves to communities that needed much more than the non-profit had to offer. It was so distressing to me to look in a file and see the cancelled checks from these organizations for thousands of dollars that could have been better spent on food for their food pantry or a new roof on their church.

Third, I also made it a habit to do something that was, unfortunately, against company regulations. When I wrote general proposals for a small organization, I emailed it to them so that they would have it for their own use in the future, when our scam company was no longer there; that way they would have something to show for their investment. With minor adjustments, the organization would have a well-written outline to work from for other funders.

Fourth, I was completely honest with clients on the phone, even if it meant discounting something someone else in the company said. I explained to clients that the likelihood of receiving a grant to expand their for-profit business was slim to none unless there were local economic development programs in their communities with funds for them, and in that case they did not need the services of our company. I was successful in obtaining awards for some clients who were performing very worthy projects or services and that made me feel good about staying and doing what I could to correct the wrongs. I am proud to say that I made sure that I did nothing to violate my personal or professional ethical standards.

However, the job became more stressful as the frustration of clients grew. They were angry; they had reason to be, and I was one of the only people in the company who would answer the phone. It was a rotten, helpless feeling most of the time, because I knew in my heart I could not help these people. The management, who were recording my calls, threatened to take away my telephone. I told them I refused to lie to people about anything. The stress
I felt began taking a physical toll on me; I was exhausted emotionally and anxiety ridden every morning before going to work.

When I finally did obtain a position with an established organization, I felt a sense of relief. But when I learned that my personal information was continuing to be used by the scam company to solidify sales, and salesmen were faxing my bio and copies of my certifications to potential clients, I spoke with an attorney who sent me to the FBI. Only then did I realize the long-term impact that my association with this company could have on me professionally and personally. If I had not found out what I was involved in when I did, I may have crossed the line between legal and illegal, and not even have known it until it was too late.

I learned a lot about myself from this experience. I also learned a lot about human nature. For the most part, I had been fairly insulated in my career and my life from the type of people I came in contact with during this time. I think many professionals like me have been unaware that our industry has been infiltrated by these unsavory types. Had I not seen it and experienced it first hand, I would still believe that it was a fringe phenomenon. I can assure you that it is not. These are very crafty, underhanded people and they pass themselves off as “one of us.” They join the Chamber of Commerce or Better Business Bureau and they hire unsuspecting professionals to legitimize their operations on the front end while on the back end, they are thieves. They are very systematic in their approach; they obtain various trainings and certifications for their employees from various organizations like AAGP, and then use those affiliations to bolster public confidence in their non-existent product or service. Until I was hired by this company, they had not written one grant application for a client and had no intention of doing so. The original intent was to sell the service to as many unsuspecting people as possible and then shut the operation down. This is what I suspect most of these scam groups actually do. My advice to an individual, a small business owner, or a director of a non-profit is “if it sounds too good to be true…it probably is.”

Lessons Learned

So how do you recognize a grant scam? These grant scam companies make “guarantees” of funding, and quote dollar amounts and time frames to potential clients in order to close the deal and get the unsuspecting client to send in their money for the service. I would not recommend buying any grant writing service through a telemarketer or without references from clients who are successful grant recipients. It is the same old story, the buyer must beware.
Other signs of a grant scam include that they:

- Make a hard sell—they call you several times with new information of funding opportunities meeting your needs and describe huge dollar amounts (this is the greed angle)

- State dubious facts, such as that millions of dollars are given to people all the time to expand or start small businesses, to pay off debt, or to fix your house (the hopes and dreams angle)

- Require you to sign up for the service by a certain date due to some funding deadline (the urgency angle)

- Create red flags, such as when they only accept checks or electronic bank payments—these cannot be charged back easily or sometimes at all. If the company will not take your credit card, don’t buy!

- Use vague contracts. Look at their paperwork, letterhead, and various documents—if it looks homemade, it is.

If an organization needs a grant writer, they should go in search of one based upon the recommendation of a peer, a professional organization or another grant writer’s referral in order to avoid a scam company.

As for my fellow grant professionals, I hope none of you will fall prey to such an operation after reading my story. In retrospect, I should have been more suspect. I should have asked more direct questions about who they were and what they were doing. I should have asked how they acquired their clientele, how much they charged, how payment was made by clients, how many applications were written previously, and so much more. They still may have lied to me, but I might have felt or heard something insincere, or I may have gotten the “red flag feeling” and not gotten in so deeply. Once I was brought on site and saw the operation first hand, I should have looked more carefully. If I had seen the sales room where the salespeople made hard-sell calls before I accepted the position, the sight of these people on the phones would have indicated to me that this was not a professional operation and was not where I wanted to be.

In the future, because we know these companies do exist, I would suggest asking around about a potential employer. What kind of reputation do they have in the community? What kind of tenant are they in the building where they are located? I later found out that this company was despised by other tenants due to the behavior of the sales staff and the owners. Ask what other businesses the owners have operated, and then check those companies out. Had I done this, I would have learned that the owners of this grant scam company had previously owned and operated a different type of scam.
operation. When seeking employment as a professional, we are putting our reputation and credibility at risk when we work for someone. If that someone turns out to be less than legitimate, it can hurt us in the long run, while the company will change their name and continue on unhurt. I now see job interviews as a two-way process; the employer may be interviewing me for a position, but I will be interviewing the employer, too. We are hiring the employer as much as they are hiring us.

As a nationally recognized organization for grant professionals, AAGP must become more vocal on this subject. Better screening of membership requests to prevent scam organizations from becoming associated is a good place to start and then educate the membership about the existence of grant scam operations. They have and will continue to be a black cloud over our profession unless action is taken.
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Articles or proposals may be submitted at any time to the Editorial Board of the Journal of the American Association of Grant Professionals via email to journal@grantprofessionals.org. All submissions are read by the Editorial Board first. They may then be sent to peer reviewers, anonymously, for comments, revisions and recommendations. Submissions may returned to the author for revisions. The completed submission is then forwarded to the Editorial Board for the final publication decision. The Board reserves the right to delay or withhold publication of any article submitted. Authors will be kept informed of such decisions.

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Articles should be submitted as e-mail attachments in Microsoft Word format. Any graphics or tables must be compatible with Word or Microsoft software. Each article must contain a short biography of each author (100 words) and an abstract (150 words) at the beginning. Formatting of references, punctuation, grammar usage, paragraph formatting, etc. must follow the APA Style Manual for Publication 5th Edition; articles not following this format will be returned to the author(s).

Articles must be relevant to the grants profession. If you have questions, please e-mail journal@grantprofessionals.org. Submission deadlines are posted on the AAGP Web site.