



PAN AMERICAN HEALTH ORGANIZATION
WORLD HEALTH ORGANIZATION



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ANNUAL REPORT OF THE ETHICS OFFICE 2008-2009

Executive Summary

1. The Ethics Office was established in May 2006 to promote a culture of ethics and accountability in the Pan American Health Organization (PAHO). This report highlights (a) the activities and achievements of the Ethics Office during its third year of operation; (b) the reports that have been received and the investigations that have been conducted; (c) the new policies and initiatives that have been developed to increase transparency, bolster compliance, and protect against retaliation; and (d) the future actions that will be taken to help personnel make good decisions and enhance the Organization's ethical culture.

Reporting Period

2. This report covers the work carried out by the Ethics Office from 1 May 2008 to 30 April 2009.

Status and Role

3. The Ethics Office is a functionally independent office reporting directly to the Executive Committee of PAHO. To ensure accountability within the Organization, the Office reports to the Deputy Director of PAHO for administrative purposes.

4. The main role of the Ethics Office is to foster awareness of PAHO's core values in order to promote ethical behavior at all levels of the Organization and to ensure compliance with PAHO's Code of Ethical Principles and Conduct, its rules and regulations, and the International Civil Service Commission's Standards of Conduct for the International Civil Service.

5. The Ethics Office also serves as a confidential contact point for the reporting of alleged violations of PAHO's standards of conduct. For this purpose, a Help Line is available for people, both inside and outside the Organization, to ask questions or report ethical concerns or suspected wrongdoing, while remaining anonymous if they wish. This Help Line is administered by an outside company which specializes in the development of corporate help lines and ethics and compliance programs.

6. The Ethics Office also takes the lead in promoting policies and guidelines dealing with new or evolving areas related to ethics in organizational behavior.

Activities and Achievements of the Ethics Office

7. The four principal functions of the Ethics Office are to:

- (a) Provide advice and guidance to personnel regarding the promotion of ethical conduct in PAHO;
- (b) Provide training and education on ethical issues and PAHO's Code of Ethical Principles and Conduct;
- (c) Conduct investigations into alleged misconduct, harassment, and violations of the Code of Ethical Principles and Conduct; and
- (d) Coordinate the Integrity and Conflict Management System (ICMS).

8. The principal activities undertaken and results achieved in each of these four areas during 2008-2009 are highlighted below.

Providing Advice and Guidance

9. The Organization expects its personnel to engage in proper and ethical behavior, but acknowledges that the boundaries of such behavior are not always clear. As a result, providing guidance and orientation to personnel is a key component of the Ethics Office's work.

10. The foundation of the Ethics Office's advisory function is PAHO's Code of Ethical Principles and Conduct, which was issued in January 2006. This Code sets out, in a detailed manner, the Organization's ethical principles; the rights, responsibilities and obligations of all personnel; the duty to comply; PAHO's standards of conduct; and the proper use of PAHO's property and resources. It is both principle-based and prescriptive, as it contains specific examples of behavior that are not considered acceptable.

11. This Code serves as a valuable reference tool and helps guide personnel in their day-to-day actions and activities to ensure that they are always within the norms of acceptable behavior. The Ethics Office has witnessed an increasing number of queries

that are related to specific sections of the Code. This is a positive development, as it implies that personnel are aware of the Code of Ethical Principles and Conduct and are reviewing it when they have queries on ethical issues.

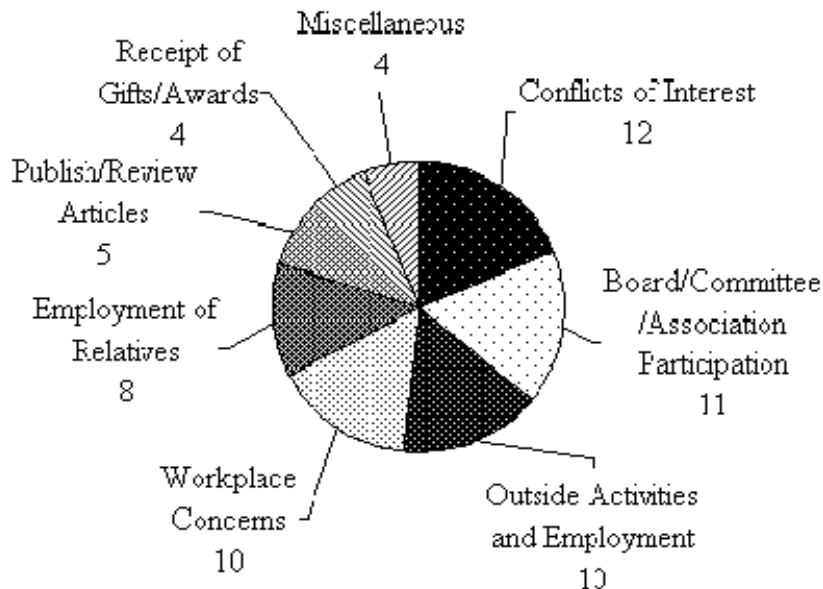
12. In addition to providing general direction and guidance, the Code sets out a number of areas where personnel must obtain the authorization of the Ethics Office prior to engaging in a specific activity. Thus, for example, personnel need to obtain the approval of the Ethics Office before accepting a gift or award, engaging in external employment, or participating in a professional association, board or committee. In these cases, the opinion of the Ethics Office is binding and the person cannot undertake the desired activity if the Ethics Office determines that there is an actual or potential conflict of interest with the work of the individual or that of the Organization.

13. Since the limits of ethical behavior are not always clear, another important component of the Ethics Office's work is providing advice to personnel on any matter that may give rise to ethical concerns. Personnel are encouraged to ask questions and may even use the Ethics Help Line to remain anonymous if they wish. By asking questions — and receiving the appropriate guidance and advice— personnel can avoid situations that might otherwise lead to a conflict of interest or compromise the image or credibility of the Organization or the individual concerned. Moreover, when staff obtain the opinion of the Ethics Office and act accordingly, they can be assured that they will be protected even if a problem subsequently arises.

14. In summary, as part of its advisory responsibilities, the Ethics Office responds to requests for approval to engage in different activities, to queries pertaining to the interpretation or application of the Code of Ethical Principles and Conduct and to general inquiries on ethical matters. During the present reporting period, the Ethics Office responded in writing to 64 queries or consultations from personnel in these areas. Many other informal consultations took place, including with other internal offices in PAHO, and these types of consultations are now being recorded and will be included in future reports.

15. A general breakdown by type of query received is depicted below:

Breakdown by type of query received



Providing Training and Educational Opportunities

16. The cornerstone of the Ethics Office's training program is an online course on PAHO's Code of Ethical Principles and Conduct that was developed in-house and implemented in March 2007. This interactive course, consisting of 24 case studies, is mandatory for all personnel working in PAHO, regardless of type of contract, and is offered in all four official languages of the Organization.

17. All PAHO personnel were given until 31 August 2007 to complete the course and were required to print a certificate showing that they had fulfilled the course requirements. All new personnel joining the Organization are also required to take the course and produce a certificate of completion. To make it easier for people in countries with a low bandwidth to take the course, a CD version was developed and distributed to the countries concerned. This has enabled the personnel in those countries to complete the training program without any unnecessary delays resulting from the loading of the case studies.

18. PAHO's training program was well received both inside and outside the Organization, and the World Health Organization and the World Bank expressed interest in the course and were given copies of the CD.

19. Although this online course will remain the centerpiece of PAHO's training program, the Ethics Office recognizes the need to implement additional training activities and communication strategies to ensure that the importance of ethical behavior remains at the forefront of everyone's work. As a result, the Ethics Office is presently involved in discussions with various companies about procuring off-the-shelf training programs on a range of topics, such as the prevention of workplace harassment, fair and ethical business practices, and addressing international bribery and corruption, to name a few. These courses would be offered on a continuing basis to all PAHO personnel or to selected audiences, depending on the topic.

20. In addition, briefing sessions on the Code of Ethical Principles and Conduct and PAHO's Integrity and Conflict Management System (ICMS) were held for all personnel in the Dominican Republic and Uruguay. Individual briefings were also provided to new personnel at Headquarters.

21. In 2009, the Ethics Office is planning to organize briefing/training sessions for small groups of employees at PAHO Headquarters to reinforce the importance of ethical conduct and to raise the level of awareness of the role of the Ethics Office. To the extent possible, the Office also intends to offer similar sessions for country office and center personnel.

Conducting Investigations

22. It can sometimes be difficult to determine whether a certain act or activity raises ethical concerns, and the central role of the Ethics Office is to guide people who work for PAHO in the right direction to avert conflicts of interest or conduct that could be considered unacceptable for an international civil servant. By taking a proactive approach and bringing ethical conduct to the forefront of day-to-day work, the Ethics Office aspires to minimize the number of issues that could become problems for individuals or the Organization.

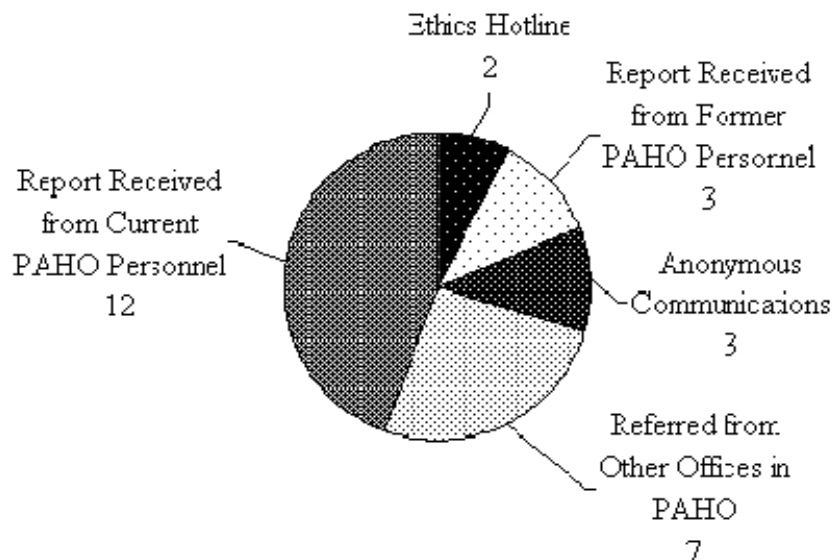
23. Notwithstanding this key preventive role, there will continue to be instances where people working for the Organization may engage in unethical behavior because they are unaware that their conduct is inappropriate or because they purposely choose to embark on an improper or fraudulent activity. When these types of cases are reported, whether directly to the Ethics Office, through the Help Line, or to one of the other members of the Integrity and Conflict Management System (see below), a preliminary investigation is initiated to determine whether there is any evidence to support the

allegation. If warranted, a full investigation is then conducted to determine the facts and to ascertain whether a violation of the Organization's standards of conduct has occurred.

24. Investigations into allegations of misconduct committed by someone who works for the Organization are generally carried out by the Ethics Office. These workplace investigations are administrative fact-finding exercises designed to look into allegations of misconduct and to determine whether or not the alleged conduct took place. In instances where the Ethics Office carries out an investigation and concludes that it is more probable than not that misconduct has occurred, the matter is referred to the appropriate officials in the Organization for a decision on whether disciplinary or other action should be initiated against the individual concerned. This separation of functions ensures that the same office is not both the finder of fact and decision-maker regarding any action that may be taken.

25. During the 2008-2009 reporting period, the Ethics Office received 27 reports about behavior that raised ethical concerns. The breakdown on how the Ethics Office received information about an issue or allegation is shown below:

Breakdown on reports received in the Ethics Office



26. In comparison, 20 reports were received during the previous year. However, the number of issues reported through the Ethics Help Line declined from five to only two during this reporting period. Although the percentage of reports received through help lines is typically low in most organizations, the Ethics Office will launch another awareness campaign to publicize the availability of PAHO's Help Line to file reports and the option of remaining anonymous.

27. The investigations carried out by the Ethics Office involved a wide range of issues and resulted in various actions being taken by the Organization, depending on the findings and the gravity of the offense. A brief overview of the various issues reported to the Ethics Office and the investigations that have been completed and actions taken, as well as those cases still under investigation, is presented below.

Completed Investigations

28. During the year under review, the Ethics Office completed investigations and submitted reports on the following allegations:

- (a) A supervisor who reportedly asked staff to carry out personal services during normal working hours. The investigation uncovered that several staff were asked to develop a website, prepare promotional material, and develop presentations that were unrelated to the work of PAHO;
- (b) A series of contractual service agreements that appeared to be issued in a manner intended to circumvent the assigned delegation of authority. An investigation revealed that the Organization's contracting rules were not respected and that there was a deliberate attempt to structure each contract so that it remained below the delegation of authority;
- (c) An employee who reportedly demanded money from several people in return for short-term contracts. An investigation found that kickbacks were demanded by and given to the employee in question;
- (d) The falsification of travel claims and hotel receipts. An investigation found that the person did not stay at the hotels in question, but had obtained and submitted false hotel bills in an attempt to receive a higher per diem;
- (e) The political activities of an employee based on a number of articles that appeared in the press. An investigation determined that the employee in question had not become a candidate for a public office but had engaged in political activities;
- (f) The use of PAHO telephones for private purposes. An investigation found that the employee had made numerous long-distance calls for personal reasons and did not reimburse the Organization;

- (g) The falsification of receipts for items purchases through petty cash. An investigation revealed that the individual concerned altered the receipt to show a higher amount than what was actually paid; and
- (h) The diversion of funds from voluntary contributions. An investigation determined that there was no evidence to substantiate the allegation that funds were diverted and used for other purposes.

29. Not all cases investigated by the Ethics Office involve ethical violations, even if the allegation has some merit. In one case, for example, information was received claiming that a supervisor had engaged in unethical behavior by contacting an employee's physician, which led the physician to reissue a medical certificate. This matter was looked into, and it was determined that even though the supervisor should not have contacted the doctor, the supervisor acted in good faith and did not breach any ethical standards.

30. Moreover, not all cases in which an ethical violation has occurred involve a personal benefit to the individual concerned. In one case, an employee wanted to use the remaining balance in the unit's allotment before the funds lapsed at the end of the year. As such, the employee asked a contractor to alter an invoice to show that services were provided in the previous year, instead of the actual year when the services were going to be provided. This case exemplifies that ethical violations can occur; even when an employee feels that his or her actions may be in the best interests of the work unit or the Organization itself.

31. The Ethics Office refers its investigation reports to the relevant officials in the Organization when it determines that it is more probable than not that misconduct has occurred. Following the required procedural steps, a decision is then taken by the appropriate officials on whether to impose disciplinary or other action against the concerned individual. Based on the investigations carried out by the Ethics Office (including those conducted during the last reporting period but where decisions were taken during the current period), the following actions were taken by the Organization:

- (a) Three employees were counseled on appropriate workplace behavior or instructed to comply with established rules and procedures;
- (b) Two employees were allowed to resign from the Organization;
- (c) Four employees received letters of reprimand;
- (d) One employee received a reduction in grade;
- (e) Two employees were dismissed for misconduct; and
- (f) One employee was summarily dismissed for serious misconduct.

32. In addition, no ethical violations were found in two cases that were reported, and these cases were, accordingly, closed.

Ongoing Investigations

33. The Ethics Office presently has 13 active cases as of 1 May 2009. Of these 13 cases, four investigations have been completed but reports need to be issued. In the other nine cases, investigations have been initiated but not yet completed.

34. The investigations that have been finalized pertain to the following allegations:

- (a) Unequal treatment in the work unit, people being hired without the proper qualifications and favoritism regarding which personnel were allowed to go on duty travel;
- (b) The submission of taxi receipts for reimbursement when no taxi fares were incurred;
- (c) The establishment of a company to do business with PAHO and the processing of a contract without disclosing a potential conflict of interest; and
- (d) Apparent irregularities in the receipts that a PAHO employee submitted to the Organization for the payment of a special education grant.

35. The pending cases relate to the following allegations:

- (a) The issuance of a contract without the proper competitive bidding process and a kickback given to a PAHO employee for awarding the contract to the selected company;
- (b) Suspected irregularities in an office, including the hiring of family members and friends, improper procurement practices and the submission of fraudulent travel claims;
- (c) A misuse of the privileges of the Organization;
- (d) A possible conflict of interest concerning the purchase of equipment;
- (e) The use of the “Doctor” designation by several PAHO employees who are not medical doctors and do not have doctorate degrees.
- (f) A violation of workers’ rights in an office;
- (g) An employee who may have improperly benefitted from an education grant payment;
- (h) An individual working for PAHO who made threatening remarks against the individual’s former landlord; and
- (i) The apparent falsification of a supervisor’s signature on a leave application form.

PAHO's Integrity and Conflict Management System

36. As a responsible employer, PAHO aims to provide its personnel access to an efficient and credible system to promote integrity and resolve conflict. As such, the Organization has focused in recent years on providing its personnel with the necessary mechanisms to deal with workplace concerns and conflicts. Of particular significance in this area was the establishment of the Ombudsperson's Office in May 2005, the Ethics Office in May 2006 and an Integrity and Conflict Management System (ICMS) in October 2007.

37. The underlying purpose of the ICMS was to incorporate all the existing resources dealing with integrity and conflict resolution issues under one umbrella so they would be more accessible, effective, and easily understood by personnel. These resources include the Ombudsperson's Office, the Ethics Office, the Legal Counsel's Office, the Information Security Office, Human Resources Management, the Office of Internal Oversight Services, the PAHO/AMRO Staff Association, the Grievance Panel (for cases of harassment), and the Board of Appeal.

38. The ICMS makes it easier for personnel to identify the most appropriate resource to contact to discuss a particular concern or problem. A dedicated website was established to provide detailed information on the operation of the ICMS, and a link has been placed prominently on PAHO's intranet home page to make the website more visible and accessible to personnel.

39. The ICMS members meet periodically to discuss the functioning of the system, possible improvements, the administration of justice process, new policies that are being elaborated in the area of integrity and conflict resolution, policies that have been developed by other UN and international organizations and their potential usefulness in PAHO, and other pertinent issues.

40. In order to raise the level of awareness of this new system, the different members of the ICMS will act as ambassadors when visiting a country office or center on duty travel and will soon begin giving a standardized presentation to the personnel. This strategy will help to disseminate as widely as possible information about the ICMS, the roles of the respective resources and how personnel can raise ethical or other workplace concerns.

New Developments

Protecting People Who Provide Information

41. All PAHO personnel are required to be vigilant in ensuring that the Organization's resources and assets are used for official purposes only and to report

information that they reasonably believe may involve an improper use of resources, the theft or loss of property, or any other activity that undermines the Organization's mission or duty to its Member States. In exercising this responsibility, individuals must feel that they can freely disclose information without any reservations, that the information they provide will remain confidential to the maximum extent possible, and that they will be protected by the Organization.

42. The Code of Ethical Principles and Conduct already contains a specific prohibition against retaliation and makes it a violation of the Code to retaliate against anyone who reports possible unethical conduct to officials in the Organization. However, to underscore that people who provide information or cooperate in an investigation or audit will be protected, the Organization has recently developed a comprehensive policy on this issue. This policy is intended to ensure that people who work in PAHO, as well as people who have business dealings with the Organization, can report suspicions of improper or unethical activity without fear of retaliation.

43. This policy sets out the safeguards that PAHO has instituted to encourage people to raise legitimate concerns and describes the actions that will be taken to protect those individuals and to deal with claims of retaliation. It contains a specific prohibition against retaliation, explains the steps to be followed when a person feels that he or she has been subjected to retaliatory action and outlines the remedies and penalties that may be taken in cases where retaliation has been established.

Protocol for Conducting Workplace Investigations

44. Since its inception, the Ethics Office has followed generally accepted principles and practices as the basis for conducting workplace investigations. These principles and practices have now been codified, and a Protocol for Conducting Workplace Investigations in PAHO will be issued shortly. This protocol is designed to help ensure that all workplace investigations are carried out in a uniform, objective, and transparent manner and follow established standards and acceptable norms for administrative fact-finding investigations within an international organization.

45. This protocol outlines the guiding principles and steps of the investigative process, the authority and role of the investigator, the duty to cooperate in an investigation, the rights of people involved in an investigation, the conduct of interviews, the release of investigation reports, and the safeguards that have been instituted to protect the confidentiality of information, the reputation of people under investigation, and the identity of people who provide information or cooperate in an investigation. It applies to all investigations carried out in PAHO, irrespective of the office tasked with the investigation.

Asset Protection and Loss Prevention

46. To help mitigate the risk of loss, fraud, and theft of PAHO resources and property, the Organization has also recently established the Asset Protection and Loss Prevention Committee, charged with ensuring that risks of a financial nature are effectively identified and managed and that all known cases are properly reported, investigated, and resolved. The committee will play a key role in the prevention and deterrence of such cases and will be the mechanism for capturing and overseeing all reported cases of fraud, theft and loss that occur in the Organization.

47. The principal function of this committee is to ensure that the Organization has instituted the proper internal controls and checks and balances to help prevent and deter theft and fraud and to monitor cases when theft or fraud has been discovered and reported. Its authority is limited to cases in which there is a direct financial impact to the Organization, and it does not get involved in cases of alleged misconduct when there are no discernable financial implications for the Organization, as other mechanisms exist for these types of cases.

Future Actions

48. As in previous years, the Ethics Office has not observed any notable trends, and the reports and consultations received continue to be on a wide range of issues. Nonetheless, with several cases investigated in the past year, the falsification of travel claims and hotel, taxi, and petty cash receipts represent high-risk areas that need to be monitored closely.

49. PAHO's Code of Ethical Principles and Conduct was promulgated three years ago and is due for an update to take into account lessons learned and latest practices and to expand its scope to include vendors, suppliers, and contractors with whom business is conducted. In addition, it would be useful to give more concrete examples of what constitutes acceptable and unacceptable behavior to provide more effective guidance and direction. Consideration will also be given to using more questions and answers, real-life scenarios, and examples from the workplace that demonstrate the implications for one or more courses of action. The code also needs to be made more attractive by using color graphics, given more visibility, and made more accessible to personnel.

50. The Ethics Office is presently exploring the possibility of implementing, through a third-party provider, a questionnaire or assessment activity that would be targeted to all PAHO personnel. The objective of this activity would be to gain a better understanding of the ethical health of the Organization and to gauge the level of awareness and comprehension of PAHO personnel on the importance of ethics, compliance and conduct in relation to their day-to-day work duties and responsibilities.

51. The Ethics Office intends to continue proposing new and revised policies and guidelines to provide further direction and guidance to personnel and to ensure consistency. Policies that will be presented for consideration include fundraising for charitable organizations in the workplace, the receipt of gifts, participation on advisory boards and committees, the hiring of family members as unpaid volunteers, and the writing of articles, among others.

52. Issues that remain pending and need to be completed include a specific policy on outside employment and revision of the declaration of interests form that is provided to selected staff in the Organization. Also, a comprehensive review of the administration of justice system in PAHO is now being led by the Legal Counsel's Office and is expected to be completed by November 2009.

Action by the Executive Committee

53. The Executive Committee is invited to note this report and solicit additional information or clarification on the work or activities of the Ethics Office during the last year.

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