



PAN AMERICAN HEALTH ORGANIZATION
WORLD HEALTH ORGANIZATION



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ANNUAL REPORT OF THE ETHICS OFFICE, 2010

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 fifth year of operation; (b) the reports that the Office has received and the investigations that it has conducted; (c) the new policies that have been established to standardize the conduct of investigations and to improve the objectivity, efficiency, and professionalism of PAHO's administration of justice system; and (d) the future actions that will be taken to further improve the ethical culture in the Organization.

Reporting Period

2. This report covers the work carried out by the Ethics Office from 1 January 2010 to 31 December 2010. Unlike previous reports, which covered the period from 1 May of one year to 30 April of the following year, this annual report – as well as future reports – will cover an entire calendar year. This change will facilitate reporting and the compilation of statistics, and will make it easier to make comparisons with other international organizations.

3. In view of the transition to reporting on a calendar year basis, this year's report will overlap somewhat with last year's report, which covered the period from 1 May 2009 to 30 April 2010. As a result, some information from the previous report will be repeated here.

Status and Role

4. The Ethics Office is a functionally independent entity that reports directly to PAHO's Governing Bodies through the Executive Committee. To ensure that the Office's functions are fully independent, it does not have any direct supervisory oversight in the Organization. Administrative matters are handled by the Deputy Director's office.

5. The Ethics Office's principal role is to provide advice and guidance to staff on ethical issues and to ensure compliance with PAHO's Code of Ethical Principles and Conduct. As part of this advisory function, the Ethics Office provides training and offers briefing sessions to staff members to highlight the programs and policies that are available to address any ethical questions or concerns that they may have.

6. The Ethics Office also conducts investigations into allegations of wrongdoing and suspected violations of the Code of Ethical Principles and Conduct. In addition, it serves as the Organization's focal point for all cases of theft or loss of assets and equipment, and looks into these types of incidents whenever necessary.

7. The Ethics Office also oversees the Ethics Help Line, which allows staff members to ask questions on ethical issues or to report allegations of misconduct. The Help Line is available in PAHO's four official languages (English, Spanish, Portuguese, and French) and staff members can remain anonymous if they so desire.

8. The Ethics Office also functions as the Coordinator of PAHO's Integrity and Conflict Management System (ICMS) and as Secretary of the Standing Committee on Asset Protection and Loss Prevention (APLP).

9. As part of these various roles and responsibilities, the Ethics Office also takes the lead in updating or developing new policies and procedures in the area of ethics and compliance, internal justice, and fraud prevention.

10. The principal activities undertaken and results achieved in each of these areas in 2010 are presented below.

Advice and Guidance

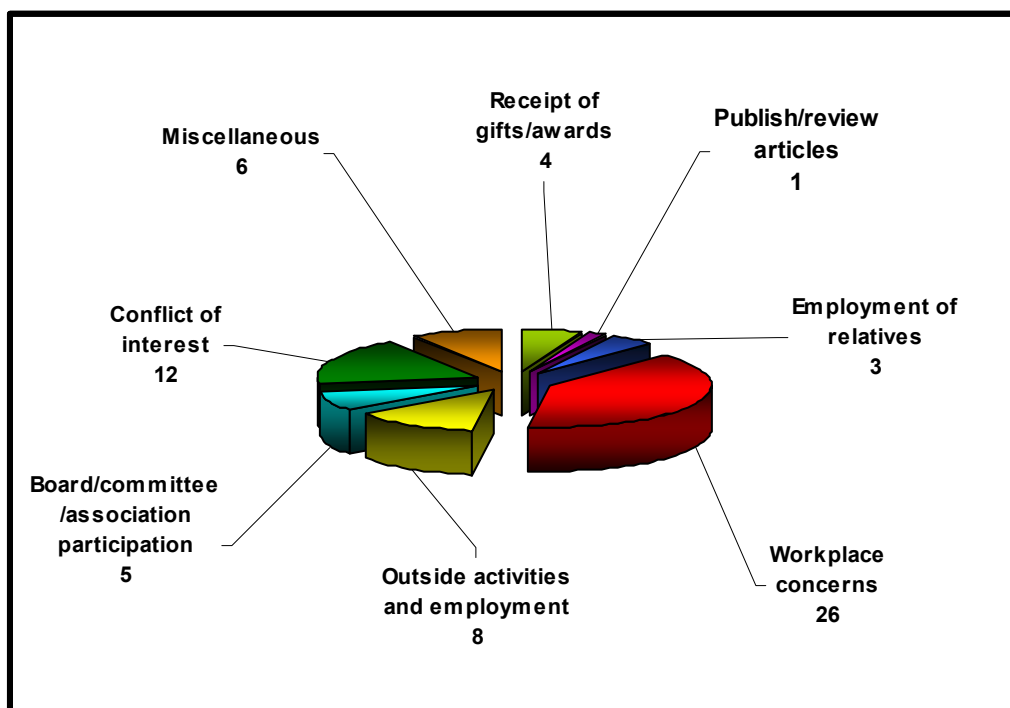
11. To provide proper guidance and advice, the Ethics Office actively encourages staff to ask questions on any issue that might have ethical implications and accepts questions through the Ethics Help Line from staff who prefer to remain anonymous. Promoting full and open disclosure is part of a concerted strategy to minimize potential problems for staff and the Organization by avoiding situations that might otherwise give rise to a conflict of interest or to a breach of PAHO's ethical standards. When staff

members ask questions and act on the advice that has been provided, they are protected even if a problem subsequently arises.

12. PAHO's Code of Ethical Principles and Conduct, implemented in January 2006, is designed to encourage staff to take the right action at the right time. Consequently, it requires staff to disclose, in a timely manner, any activity, association or possible conflict of interest that could impact their work or the work or reputation of the Organization. Thus, for example, staff members are required to obtain prior authorization for any paid or unpaid employment or activity outside the Organization. Many of the consultations received by the Ethics Office relate to the specific requirements enunciated in the Code. In addition, staff members consult the Office on a wide range of other topics that have – or could have – ethical implications.

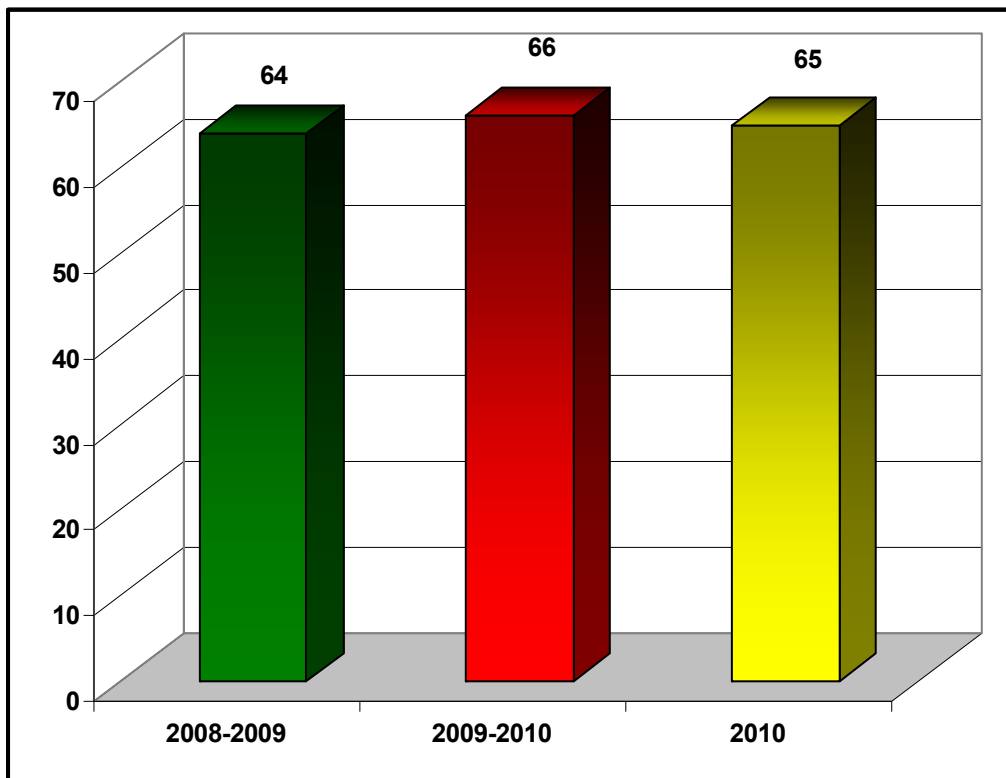
13. During the 2010 calendar year, the Ethics Office responded to 65 consultations from staff, including three submitted through the Ethics Help Line, as illustrated in Figure 1.

Figure 1: Consultations from PAHO staff, broken down by type, 2010 calendar year.



14. While it is difficult to make an accurate comparison due to the change in reporting periods, the 65 consultations received in 2010 represent about the same number as those received in previous years (see Figure 2, below).

Figure 2: Consultations received, by reporting period, 2008–2010.



Training and Educational Opportunities

15. The Ethics Office continued to provide briefing sessions on the Code of Ethical Principles and Conduct and on PAHO's Integrity and Conflict Management System (ICMS) to various groups of staff in 2010. Specifically, group briefings were provided to:

- Country Office staff in PWR Colombia in January;
- New Country Office administrators in Bolivia, Brazil, Ecuador, El Paso, Haiti and Venezuela in May;
- Country office staff in PWR Chile in July.

16. In addition, the Ethics Office conducted individual briefings throughout the year for new Country Office Representatives, administrators, and senior managers.

17. Since its creation in 2006, the Ethics Office has conducted on-site briefing sessions in about half of PAHO's 28 Country Offices. In view of the benefits of hands-on awareness and learning sessions, it will redouble its efforts so that the remaining Country Offices are visited as soon as practicable.

18. New staff members joining the Organization are still required to complete the online case-based training course on PAHO's Code of Ethical Principles and Conduct that was developed in 2007.

19. The Ethics Office recognizes that additional training and refresher courses need to be provided to PAHO personnel. In 2010, a request-for-proposal (RFP) was issued to four companies to procure off-the-shelf training programs on a wide range of ethics-related topics. Unfortunately, only one viable proposal was received, leading to the cancellation of the RFP. It will be reissued in 2011.

Investigations

20. One of the major roles of the Ethics Office is to conduct investigations into allegations of wrongdoing. These are fact-finding investigations that are intended to provide the reviewing authorities or decision-maker with sufficient information to determine whether wrongdoing has occurred. Investigations are purely administrative—not judicial—and the Ethics Office's role is limited to reaching conclusions of fact, establishing whether an allegation has merit, and determining whether there has been a violation of the Organization's standards of conduct.

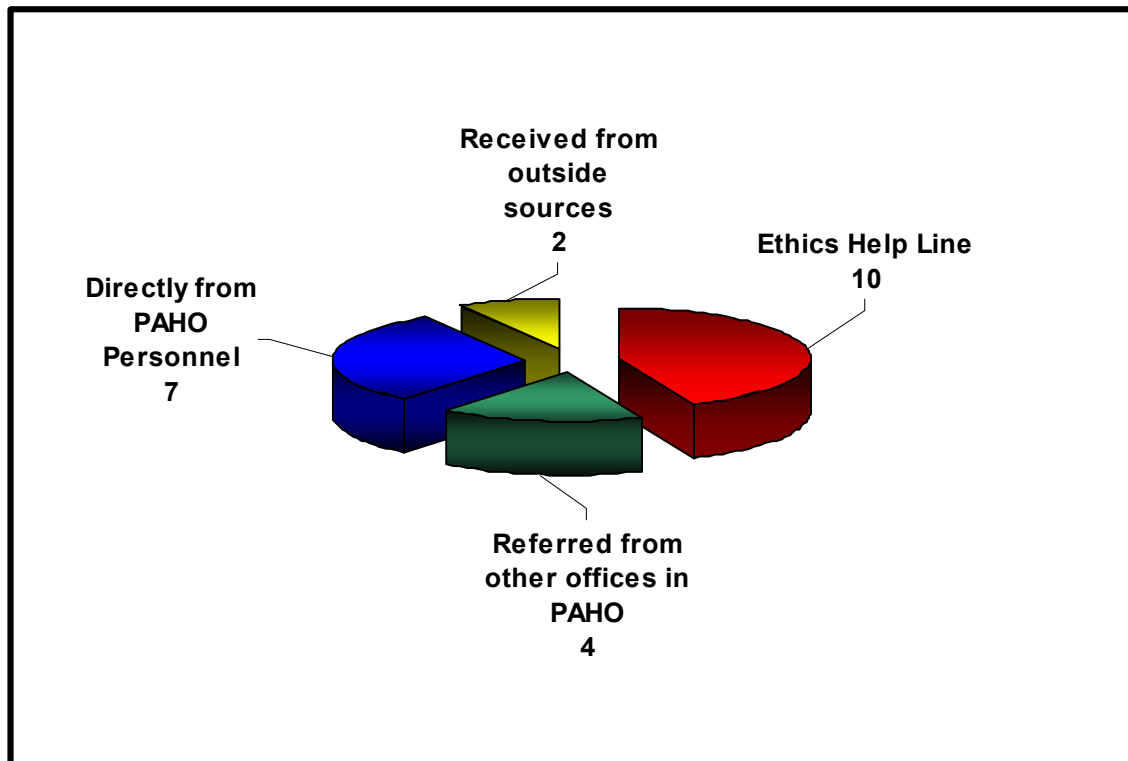
21. To ensure a proper separation of functions, the Ethics Office does not make any recommendations or decisions regarding administrative or disciplinary action following the outcome of an investigation.

22. At PAHO, investigation reports are submitted to the Area of Human Resources Management (HRM) for consideration. When a *prima facie* case of misconduct has been established, HRM issues a letter of charges to the concerned staff member, who is then given an opportunity to reply. A decision is then made by HRM whether to impose a disciplinary and/or administrative measure against the staff member.

23. When investigations relate to administrative issues, reports are also submitted to the Director of Administration for consideration.

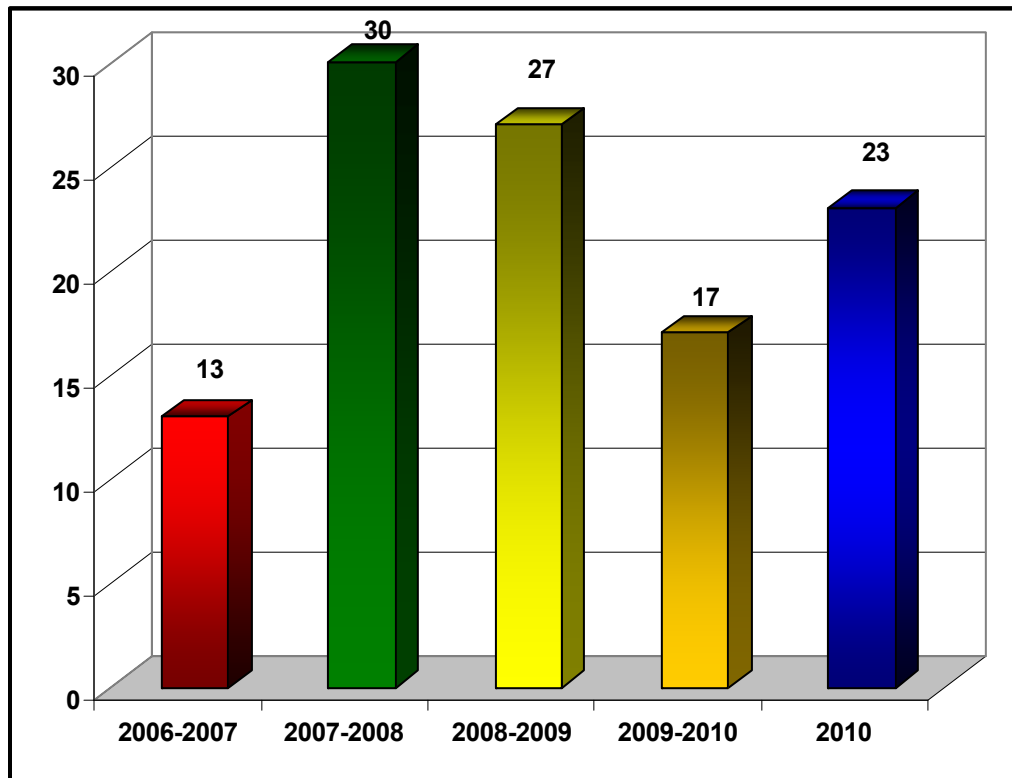
24. During the 2010 calendar year, the Ethics Office received 23 reports about behavior that raised ethical concerns. The breakdown on how the Ethics Office received information about an issue or allegation is shown in Figure 3, below.

Figure 3: Reports about behavior that raised ethical concerns, shown by how the Ethics Office received the information, 2010.



25. Figure 4 shows the number of reports on ethical concerns received from 2006 to 2010. While it is again difficult to make an exact comparison due to the change in reporting periods, the number of reports received in 2010 was similar to previous years.

Figure 4: Number of reports on ethical concerns received by the Ethics Office from 2006 to 2010.



26. The Ethics Office received 10 reports through the Ethics Help Line in 2010, which represents a slight increase from the previous reporting period, when 8 reports were received via the Help Line. Of the 10 reports, 8 were submitted anonymously.

27. The investigations carried out by the Ethics Office involved assorted issues and resulted in various disciplinary and administrative actions being taken by the Organization, based on the findings and on the gravity of the offense. A brief overview of the various issues reported to the Ethics Office in 2010 and the cases that have been closed, as well as those cases still pending, is presented below.

Cases Closed

28. In 2010, the Ethics Office received reports on the following issues and conducted investigations when warranted:

- An employee was dispatched to a local bank to deposit money, but allegedly falsified the deposit slips and misappropriated the funds.
- Apparent misuse of PAHO's name to advertise fictitious positions and charge an application fee.
- Apparent failure to disclose in an employment application form that a candidate's relative was already working in the Organization.
- Unfavorable evaluation from new supervisor reportedly leading to cessation of employment when former supervisor's assessment was positive.
- Alleged improper behavior by an employee in a previous job, which resulted in the employee being terminated for misconduct from the prior employer.
- Alleged misuse of PAHO's name on a private website operated by an employee.
- Alleged abuse of power by a supervisor and unreasonable demands placed on subordinates.
- Reportedly demanding that an employee carry out duties that greatly exceeded the staff member's grade level and failing to grant any additional compensation.
- The reported hiring of friends and relatives, unauthorized absences from the office, and favoritism.
- An employee who traveled on mission to attend a meeting but reportedly failed to attend the meeting and went sightseeing instead.
- Alleged improper behavior by an employee outside the office.
- The reported granting of fictitious contracts and trips to friends, entering into false contracts for goods and services that were never delivered, and organizing functions unrelated to PAHO's work.
- Alleged harassment of temporary personnel by their supervisor.
- Alleged falsification of legal instruments and official records in a private matter between an employee and the employee's partner.
- An employee reportedly hiring a spouse's relative to work in the same unit.

29. The Ethics Office looked into these allegations to determine if they had any merit. In some cases, after making the necessary inquiries, the Ethics Office concluded that the allegation was not supported by the facts. In other cases, the Ethics Office dealt directly with the person or office concerned to address the situation. In several cases, it was determined that the allegation had merit and, consequently, a report was sent to the Area of Human Resources Management for consideration. Based on the outcome of the investigations that were carried out, one person was terminated from the Organization in 2010 and another person's contract was not renewed. A decision is pending in one of the other cases.

Pending Cases

30. The Ethics Office also is looking into the following issues, which were reported in 2010 but have not yet been finalized:

- A supervisor reportedly requesting that a subordinate carry out IT-related work at home.
- Alleged unethical conduct committed by a supervisor in day-to-day interactions with subordinates.
- Alleged threats to terminate a person's contract on the basis of sexual orientation.
- A supervisor who is apparently treating subordinates with disrespect.
- An employee who is reportedly verbally abusive with colleagues in the same work unit.
- The apparent misrepresentation of an employee's job status in PAHO on a social networking website.
- An allegation that an employee has been harassed by co-workers.
- The alleged illegitimacy of an employee's university degree.

PAHO's Integrity and Conflict Management System

31. The Ethics Office serves as the coordinator of PAHO's Integrity and Conflict Management System (ICMS). The ICMS was established in 2007 to incorporate all the existing resources dealing with integrity and conflict resolution under one umbrella, so they would be more accessible, effective, and easily understood by personnel.

32. The ICMS members¹ met on nine occasions in 2010. Due to the importance and complexity of the issues under consideration, the meetings mostly focused on two topics: the development of an investigation protocol and the review of the Administration of Justice System in PAHO.

Protocol for Conducting Workplace Investigations

33. In April 2010, after thorough discussions within the ICMS, the Ethics Office issued an Investigation Protocol which is intended to ensure that all investigations are carried out in a fair, transparent, and consistent manner.

34. The Investigation Protocol outlines the specific steps that need to be followed during all preliminary inquiries and investigations in PAHO. It includes information on the role of the investigator, the rights and obligations of the subject of investigation and witnesses, access to records and workspaces, the conduct of interviews, the standard of proof, and the preparation and release of investigation reports.

¹ The ICMS members are the Ethics Office, the Ombudsman's Office, the Legal Office, Human Resources Management, Information Security, Internal Evaluation and Oversight Services, the Board of Appeal, the Grievance Panel, and the Staff Association

35. The Investigation Protocol also specifies that each case is unique and that some flexibility may be required to ensure that every investigation is properly carried out and each case is evaluated on its own merit.

Review of the Administration of Justice System

36. The Ethics Office coordinated a thorough review of PAHO's Administration of Justice System. This review, which took almost a year to complete, sought to ensure that personnel have access to an independent, transparent, and professional administration of justice system that is consistent with international best practices and the reforms that are taking place throughout the United Nations system.

37. Following extensive discussions within the ICMS, a comprehensive report was submitted to the Director of PASB in July 2010. After considering different options presented by the ICMS, as well as the dissenting views expressed by some members, the Director approved the following changes to PAHO's Administration of Justice System:

- An informal request-for-reconsideration process will be established whereby personnel may ask the Area of Human Resources Management (HRM) to review a decision or action that has adversely affected their terms and conditions of service, without having to resort to the more formal and legalistic appeal process.
- The investigative function for allegations of harassment will be assigned to the Ethics Office.
- The Grievance Panel will be replaced by a Standing Harassment Review Committee. The principal effect of this change is that a panel of peers will no longer handle an allegation of harassment from beginning to end. Rather, allegations of harassment will be treated like any other allegation of misconduct and will be reported directly to the Ethics Office for review and investigation. The Standing Harassment Review Committee will only get involved at the end of the process, reviewing the investigation report prior to making a recommendation to the Area of Human Resources Management.
- A person from outside the Organization with professional expertise in conflict resolution will be contracted to serve as chairperson of PAHO's Board of Appeal. Staff members will continue to serve as the Board of Appeal's other members.

38. These changes are designed to enhance the credibility and independence of PAHO's Administration of Justice System, reduce the time it takes to consider cases, and improve the objectivity and overall functioning of the process.

39. The target date for the implementation of these new measures is 1 July 2011, following confirmation by the PAHO Executive Committee of the relevant changes to the Staff Rules.

Standing Committee on Asset Protection and Loss Prevention

40. The Ethics Office also serves as a member and as the secretary of the Standing Committee on Asset Protection and Loss Prevention (APLP), which was established in May 2009.² The purpose of this committee is to help prevent the loss, misappropriation, or theft of PAHO resources by ensuring that risks of a financial nature are effectively identified and managed and that all known cases are properly reported, investigated, and resolved. The APLP met on four occasions in 2010, which is consistent with its terms of reference requiring it to meet at least quarterly every year.

41. The Ethics Office has been designated to serve as the focal point for all thefts and losses that occur in the Organization. As a result, all PAHO personnel were informed, through a General Information Bulletin issued in March 2010, that every loss or theft of PAHO property, assets, or equipment must be reported directly to the Ethics Office.

42. In 2010, the Ethics Office received 19 reports regarding the loss or theft of PAHO assets, three reports regarding the fraudulent use of PAHO purchasing credit cards, and one report about the use of fraudulent checks. The majority of the thefts and losses involved laptop computers, smart phones, and digital cameras. The value of the lost or stolen equipment amounted to \$16,839, and this information was included in the Director's 2010 Financial Report.

43. The Ethics Office followed up on these cases and obtained written statements from the people to whom the equipment or asset was assigned, as well as police reports when deemed necessary.

Professional Networks

44. The Ethics Office is a member of two professional networks. The first is the International Conference of International Investigators, which is an annual meeting of all the principal investigators of United Nations agencies, international financial institutions, and other international organizations. The 2010 meeting took place in Nairobi, Kenya, in June.

² The chairperson of the Standing Committee on Asset Protection and Loss Prevention is the Director of Administration; the Committee members are the Legal Counsel, the Auditor-General of Internal Oversight and Evaluation Services, the Manager of Financial Reporting and Management, the Information Security Officer, and the Ethics Program Manager, who also serves as secretary.

45. The second is the Ethics Network, which consists of ethics practitioners of the United Nations, its specialized agencies, and some international financial institutions. The network's inaugural meeting took place in Rome, Italy, in June and was followed by a second meeting in Washington, D.C., in December. The purpose of this network is to share best practices and experiences in the ethics and compliance field.

Future Actions

46. Last year's report noted that a request for proposal (RFP) was issued to four companies, inviting them to submit quotations to (a) help update PAHO's Code of Ethical Principles and Conduct, (b) implement a climate survey, (c) prepare a customized training program based on the revised Code, and (d) provide off-the-shelf training programs on a wide range of topics. Although three companies responded to the RFP, it was determined that only one proposal met the technical requirements for these various activities. As a result, a decision was made, in consultation with the Area of Procurement (PRO), to cancel the RFP and to reissue it.

47. At the present time, the Office of the Legal Council (LEG) handles PAHO's declaration of interest program. The responsibility for this program will be transferred to the Ethics Office in 2011, and it will be expanded to include not only financial disclosure, but also general disclosure in other areas, such as outside employment and activities, that could give rise to possible conflicts of interest.

48. To increase the level of awareness of the respective roles and responsibilities of the Ethics Office and the Ombudsman Office, joint briefing sessions will be given to all PAHO/HQ personnel in 2011 by area of work.

49. The Ethics Office has developed policies on the receipt of gifts and on outside employment, as well as on holding staff accountable when property or equipment belonging to the Organization is lost or stolen through negligence or willful misconduct. These policies will be implemented in 2011. In consultation with relevant stakeholders, the Ethics Office will continue to work on the development of other policies in the areas of post-PAHO employment, participation on advisory boards and committees, hiring of family members as unpaid volunteers, and writing of articles.

Action by the Executive Committee

50. The Executive Committee is invited to take note of this report, solicit additional information or clarification on the work or activities of the Ethics Office during the last year, and provide additional guidance to the Organization as it sees fit.



PAN AMERICAN HEALTH ORGANIZATION
Pan American Sanitary Bureau, Regional Office of the
WORLD HEALTH ORGANIZATION

CE148/7 (Eng.)
Annex

ANALYTICAL FORM TO LINK AGENDA ITEM WITH ORGANIZATIONAL MANDATES
1. Agenda item: 3.4. Annual Report of the Ethics Office 2010
2. Responsible unit: ETH
3. Preparing officer: Philip MacMillan
4. List of collaborating centers and national institutions linked to this Agenda item: n/a
5. Link between Agenda item and Health Agenda for the Americas 2008-2017: n/a
6. Link between Agenda item and Strategic Plan 2008-2012: Strategic Objective 16 and RER 16.3 concerning policies and practices that promote, inter alia, ethical behavior of personnel in the Organization. Indicator 16.3.6 is directly referable to the work of the Ethics Office to gauge the number of queries that are received from personnel and to assess the overall level of awareness of ethical behavior.
7. Best practices in this area and examples from countries within the Region of the Americas: n/a
8. Financial implications of Agenda this item: The Ethics Office will be submitting a request for funds to implement the activities outlined in the RFP, as mentioned in the report.