

156th SESSION OF THE EXECUTIVE COMMITTEE

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Provisional Agenda Item 3.4

CE156/7
17 April 2015
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ANNUAL REPORT OF THE ETHICS OFFICE (2014)

Introduction

1. The Ethics Office was established in 2006 in order to promote and foster ethical conduct in the Pan American Sanitary Bureau (PASB) by providing guidance and advice to personnel on how to comply with the principles of ethical behavior set out in the Code of Ethical Principles and Conduct of the Pan American Health Organization (PAHO). The Ethics Office plays an important role in helping the Organization maintain its commitment to transparency, trust, integrity, and ethics by helping to shape the ethical culture of the Organization and integrating the principles set forth in the Code of Ethical Principles and Conduct into the daily professional practice of all persons who work for the Organization in the Region of the Americas.

2. This report outlines the activities and achievements of the Ethics Office in 2014 in the following areas: *a)* the advice and guidance that was provided to PASB personnel in response to consultations; *b)* the allegations of misconduct that were received and investigated, including reports made through the Ethics Help Line; *c)* the new initiatives that were implemented to improve awareness and reduce the risk of potential conflicts of interest; and *d)* future actions that will be taken to further enhance the ethical culture in the Organization.

Status and Role

3. The Ethics Office reports directly to the PAHO Governing Bodies through the Executive Committee. This enables the Ethics Office to operate without any internal constraints or external pressures. As an independent entity in the Organization, it has complete authority and autonomy to carry out its mission, both in terms of the advice it provides and the investigations that it conducts.

4. For routine administrative matters, such as the approval of duty travel and leave, the Ethics Office reports to the Deputy Director of PAHO.

5. The Ethics Office has two main functions: an advisory function to help guide staff in the right direction and an investigative function when staff may have crossed the line and engaged in unethical behavior. The Ethics Office aims to promote high ethical standards and to encourage an internal work environment characterized by trust, open communication, and mutual respect. Every person who works for PAHO is expected to apply the principles of PAHO's Code of Ethical Principles and Conduct in their day-to-day activities, whether inside or outside the workplace.

6. In an effort to guide personnel in the right direction, the Ethics Office carries out its mission by helping staff become familiar with the PAHO Code of Ethical Principles and Conduct through training, brochures, and bulletins. The Ethics Office is available to answer queries from personnel on any issue that may have ethical implications or give rise to ethical concerns. The Ethics Office develops new policies and initiatives on the latest trends and emerging areas of interest in the ethics and compliance domain, thereby protecting the interests of both the Organization and staff. Within the Organization, there is a need to clarify the boundaries of acceptable behavior, and the Ethics Office meets this need through briefing and training activities that promote ethical awareness and foster a proper appreciation of the Organization's rules and policies so that staff are more likely to comply with these rules and policies during their day-to-day actions and activities.

7. In addition to providing guidance, advice, and training, the Ethics Office is responsible for conducting investigations into allegations of misconduct, including allegations of fraud and corruption, abuse of position for personal benefit or to favor a relative or friend, misappropriation of resources, workplace harassment and other suspected ethical violations, and all cases of theft or loss of the Organization's assets and property.

8. The Ethics Office oversees the PAHO Ethics Help Line. A secure line of communication for staff to express their concerns anonymously and without fear of retaliation is essential to any effective ethics program. The Ethics Help Line is administered by an outside vendor, and it allows staff members to ask questions on ethical issues or to report allegations of misconduct through a dedicated website or by toll-free telephone from any country in the Region of the Americas. The Ethics Help Line is available in the Organization's four official languages (English, French, Portuguese, and Spanish), and users can remain anonymous if they wish.

9. In addition to its two core functions, the Ethics Office also serves as the Coordinator of the PASB Integrity and Conflict Management System and as Secretariat of the Standing Committee on Asset Protection and Loss Prevention.

10. Highlighted below are the principal activities undertaken and results achieved by the Ethics Office in 2014 in each of the key areas described above.

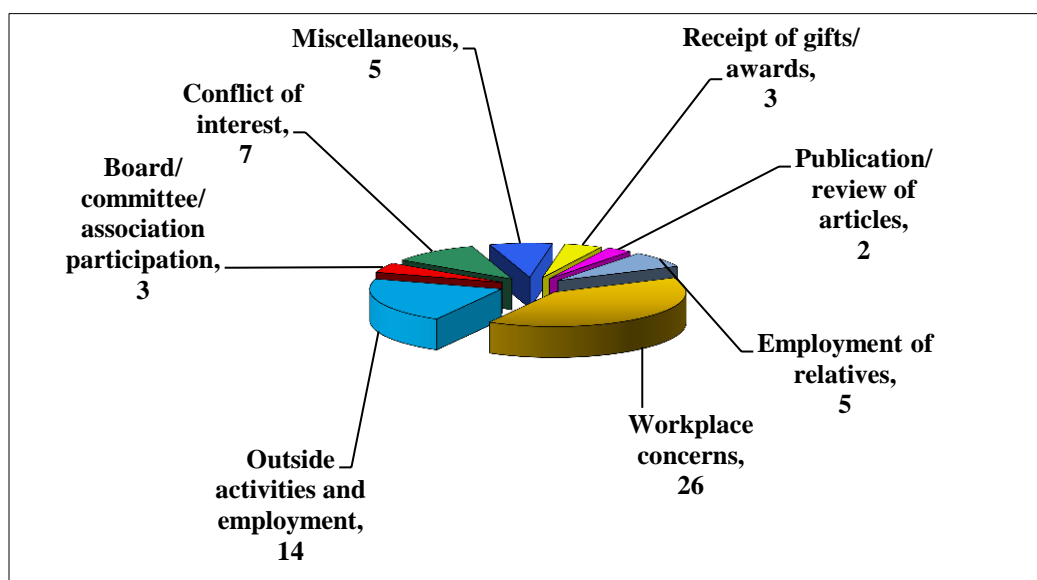
Advice and Guidance

11. Responsible for guiding staff in the right direction and providing authoritative advice when questions arise on the best course of action to take, the Ethics Office is a key resource in helping staff to recognize what situations may give rise to a conflict of interest. Situations sometimes arise in which the private or personal interests of staff interfere, or appear to interfere, with their responsibilities to the Organization. The Ethics Office helps staff understand that they have the underlying responsibility to ensure that their behavior and actions do not create a conflict of interest, or the appearance of a conflict of interest, in order to safeguard their own individual reputation, as well as that of the Organization.

12. There are three main options available to PASB staff to help them address any ethical dilemmas or concerns that they may have: *a)* they may consult the applicable policies of the Organization, including the Code of Ethical Principles and Conduct and the International Civil Service Commission Standards of Conduct for the International Civil Service Staff, for insight or guidance regarding the issue under consideration; *b)* they may submit a consultation through the Ethics Help Line and remain anonymous if they wish; and *c)* they may approach the Ethics Office directly for guidance and advice on how to deal with a particular situation.

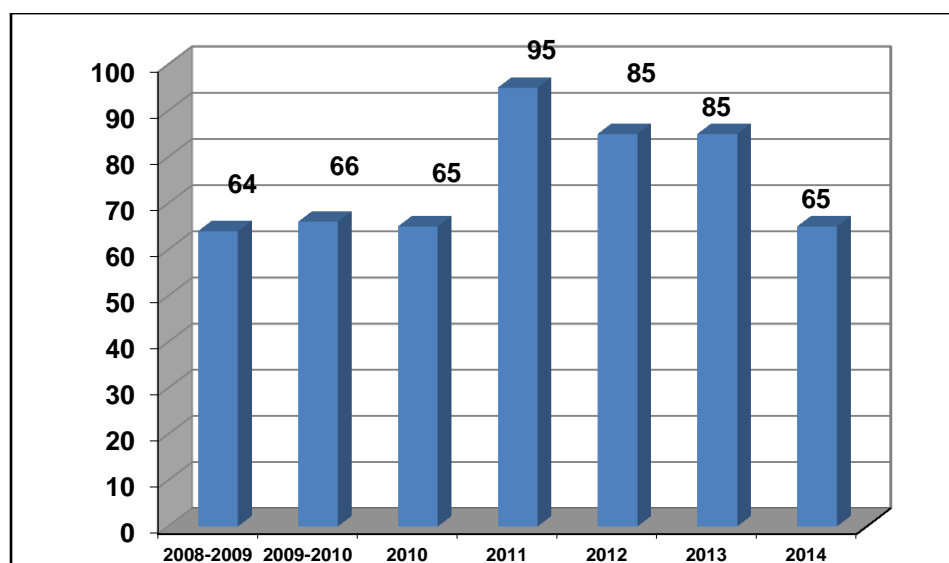
13. In 2014, the Ethics Office responded to 65 consultations from staff on a variety of topics. The consultations received in 2014 are illustrated in Figure 1.

Figure 1: Consultations from PASB staff, by type of consultation, 2014 calendar year



14. The number of consultations received in 2014 was considerably lower than the 85 consultations received in 2013 and 2012, as shown in Figure 2 below. This decline may show the maturity of the ethics program in PAHO and the fact that many staff have raised queries in previous years. Nonetheless, this number remains within the norm, since organizations typically receive every year consultations from about 2% to 4% of the total staffing population. Given that PASB employs about 1,900 personnel under all types of contracts, this figure is within this range even if it is lower than in previous years.

Figure 2: Consultations received, by reporting period, 2008–2014



15. In 2014, 26 queries were received on general workplace issues, such as respecting cultural differences in the workplace and the release of confidential medical information.

16. The Ethics Office received 14 queries in 2014 regarding outside activities or external employment of PAHO staff. In one query, an expatriate staff member under a G4 visa in the United States inquired if it were permissible to accept an unpaid teaching assignment at a local university. The practice in the past was to allow expatriate staff to accept such engagements since they were unpaid. However, the Ethics Office decided to check with the authorities, which indicated that unpaid assignments are also not allowed in cases where the position would normally have been remunerated. The Ethics Office shared this information with other international organizations in the area. In another instance, a staff member asked for permission to serve as an editor of publications for a nonprofit organization. In this instance, the Ethics Office determined that the staff member could participate as a reviewer for this organization so long as the activity did not interfere with the staff member's official duties or normal working hours.

17. Seven queries were classified as potential conflicts of interest. One query involved the appointment of the spouse of a staff member to a prominent position in the Ministry of Health in a country in the region. Since there was no connection between the

work of the staff member and the area within the Ministry of Health in which the staff member's spouse would be working, the Ethics Office concluded there was no conflict of interest.

18. Five queries were received about the possible employment of family members or relatives of serving PASB personnel. Because of the negative connotations surrounding nepotism, family members and relatives cannot normally be employed in PASB, unless such person undergoes a competitive selection for a specialized position, and no other equally qualified candidate is available.

19. The Ethics Office received three consultations related to gifts from suppliers or vendors. In this regard, the PAHO Code of Ethical Principles and Conduct stipulates that a gift from an outside source may only be accepted if it is "infrequent and of minimal value." In one instance, the Ethics Office was asked if the Organization could accept an offer from one of its suppliers to participate in a promotion that would grant staff members and their families a percentage discount off of the supplier's products. The Ethics Office determined that by accepting this offer, the Organization would give the appearance that it endorses the vendor. Accordingly, to avoid this perception and any expectation of reciprocity from the vendor in the future, the Ethics Office advised that this offer be declined.

20. In addition, the Ethics Office received three queries from PASB personnel about serving as a board member of an outside organization or association. When considering queries of this nature, the Ethics Office ensures that the person's participation would not create a conflict of interest with the mandate or work of the Organization. In one instance, a staff member contacted the Ethics Office to see if it would be permissible to serve on a committee of international experts for a nonprofit organization. The Ethics Office reviewed the mandate of the nonprofit organization and concluded that no conflict of interest was apparent. Thus, the Ethics Office determined that it was permissible for the staff member to serve on this committee.

21. Finally, the Ethics Office received two queries concerning the publishing of books and five consultations relating to miscellaneous issues.

Briefing and Training Opportunities

22. In 2014, the Ethics Office conducted briefing sessions on the Code of Ethical Principles and Conduct and on the PAHO Integrity and Conflict Management System (ICMS) for the following groups of staff:

- a) A group of new interns on 6 March 2014;
- b) Another group of new interns on 10 June 2014;
- c) All PAHO country office personnel in El Salvador, on 20 August 2014;
- d) All PAHO country office personnel in Brasilia, Brazil, on 10 September 2014;

- e) The Mais Médicos technical unit in the PAHO country office in Brasilia, Brazil, on 12 September 2014;
- f) All BIREME personnel in São Paulo, Brazil, on 15 September 2014; and
- g) All PANAFTOSA personnel in Rio de Janeiro, Brazil, on 17 September 2014.

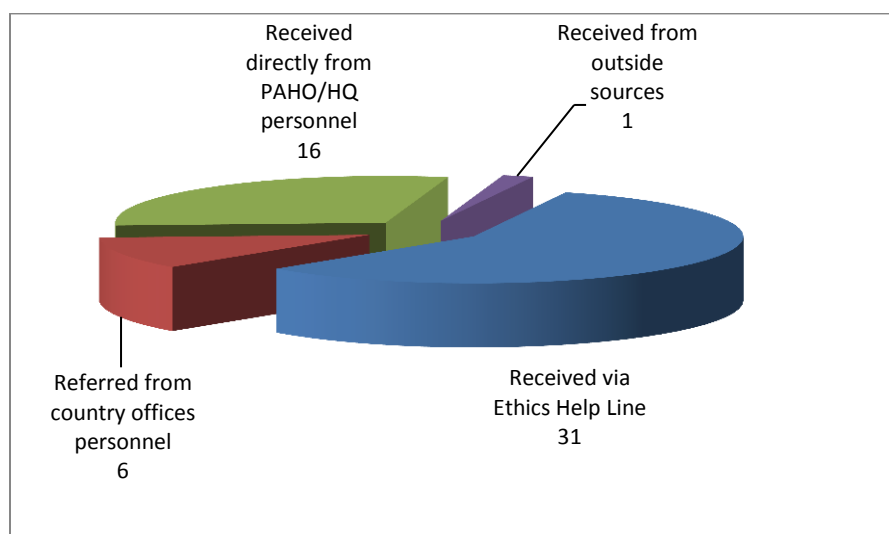
Investigations

23. The other principal role of the Ethics Office is to conduct investigations into allegations of misconduct and suspected irregularities or violations of the PAHO Code of Ethical Principles and Conduct.

24. When carrying out investigations, the role of the Ethics Office is limited to determining the facts through an impartial and independent inquiry. These investigations are strictly administrative in nature and are intended to uncover the facts. In situations where the Ethics Office makes a prima facie determination that misconduct has occurred, it submits an investigation report to Human Resources Management, which makes a final determination regarding the merits of the case and decides about the possible imposition of administrative or disciplinary action. This procedure ensures a proper separation of functions between the fact-finder and the decision-maker.

25. In 2014, the Ethics Office received 54 reports about behavior that raised possible ethical concerns. As depicted in Figure 3 below, 31 of these reports were submitted through the Ethics Help Line. Of these 31 reports, 27 were submitted anonymously. Thus, as in 2013, the vast majority of reports submitted in 2014 through the Ethics Help Line were anonymous.

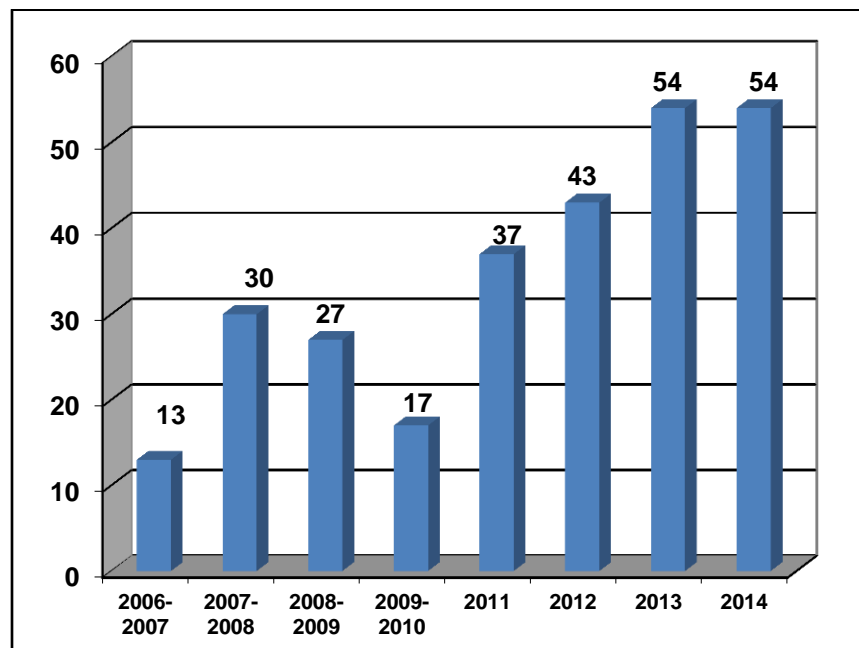
Figure 3: Reports about behavior that raised ethical concerns, shown by how the Ethics Office received the information, 2014



26. Figure 4 shows the number of reports on ethical concerns received from 2006 to 2014. In 2014, the Ethics Office received the same number of reports (54) as it did in 2013. As in 2013, some of the reports received in 2014 related to the same issue. These reports were treated individually, however, because they were submitted anonymously through the Ethics Help Line, and it was not possible to know whether they originated from the same person or were presented by different people.

27. The Ethics Office received information on 45 new issues in 2014 that raised possible ethical concerns; this included multiple reports on the same issue. In contrast, the Ethics Office received information on 30 new issues in 2013 when the duplicate reports were taken into account. This signifies that the total number of new cases received by the Ethics Office in 2014 was 50% higher than it was during the preceding year.

Figure 4: Number of reports on ethical concerns received by the Ethics Office, 2006 to 2014



28. In 2014, the Ethics Office carried out investigations into three cases of improper termination. One case related to a senior official who allegedly orchestrated the termination of a serving staff member so that someone with whom the senior official had a personal relationship could be hired instead. The Ethics Office determined that this allegation had merit and that the senior official purposely devised a plan to replace the serving staff member with the official's own personal associate. As a result of the findings of the Ethics Office, the senior official was terminated.

29. In addition, the Ethics Office received information about the possible misuse of PAHO resources. Misuse of PAHO resources incurs a cost to the Organization and can have a detrimental effect on its reputation. The Ethics Office investigates any alleged misuse to ensure that staff members are not using PAHO resources for personal reasons or improper purposes, such as viewing or downloading unsuitable content from the Internet or posting inappropriate or inaccurate information on social networking sites.

30. The Ethics Office investigated the alleged misuse of official vehicles and drivers by a senior official. The Ethics Office concluded that the senior official had used the official vehicles and drivers to run personal errands for both the senior official and for members of the official's family. Action was taken against the official concerned.

31. The Ethics Office conducted an investigation into an alleged offensive email that was sent by one staff member to another. The email in question had language that was considered to be racist. Following an investigation into this allegation, the Ethics Office found that the staff member failed to uphold a duty to demonstrate cultural sensitivity as an international civil servant.

32. The Ethics Office also carried out an investigation into the alleged misuse of social media by a consultant hired by PAHO. The consultant posted offensive comments on a social networking site regarding the outcome of a sporting event. Moreover, the consultant had identified himself as working for PAHO. It was determined that the consultant failed to treat the public at large with respect and that the actions taken had reflected adversely on the Organization. The consultant was subsequently terminated, even though the offensive comments were unrelated to PAHO and were posted outside the office on the consultant's own personal time.

33. The Ethics Office also received a complaint from someone outside the Organization who accused a staff member of misusing this staff member's position in the Organization to cause harm to his reputation and professional practice. Following an investigation into these claims, the Ethics Office determined that while the staff member clearly assailed the person's professional reputation, the staff member did not use any resources in PAHO or contacts that were developed during the course of employment in PAHO to pursue a personal grievance against the individual in question.

34. The other main investigations conducted by the Ethics Office in 2014 involved allegations of harassment. In these formal complaints of harassment, staff alleged that their supervisors or work colleagues created a hostile work environment, engaged in intimidation, and/or abused their authority.

35. The Ethics Office also looked into a number of situations involving alleged irregularities during selection processes. A majority of these cases related to alleged unfairness due to personal friendships between the selected candidates and the hiring managers. As a result of these complaints, the Ethics Office will prepare an assessment and recommendations to management to help guide selection panels and to ensure that selection processes are not only objective but also have the appearance of objectivity.

36. Finally, the Ethics Office handled a number of issues in 2014 relating to rumors, interpersonal conflict, and breach of confidentiality. These issues related to relations between supervisors, subordinates, and colleagues that could have been resolved through dialogue or mediation. Given the number of complaints, the Ethics Office recognizes a greater need for training in respectful communication and civility. With the Respectful Workplace Initiative being launched in 2015, the Ethics Office will serve on a working group led by the Office of the Ombudsman and assist in the development of an initiative designed to support a more respectful, collegial and healthy work environment.

Fraud, Theft, and Loss of PAHO Property

37. The Ethics Office serves as the focal point for all fraud, theft, and loss of PAHO property, assets, or equipment. This signifies that all thefts or losses of PAHO's assets and equipment must be reported to the Ethics Office.

38. PAHO has a zero tolerance policy for fraud and corruption, which implies that all suspected cases of fraud and corruption will be actively investigated and that disciplinary action, including termination of appointment, will be taken as appropriate.

39. PAHO also expects staff to take care of organizational property as if it was their own personal property. To this end, PAHO's Asset Accountability Policy, instituted in July 2012, holds staff accountable for replacing or repairing any equipment that is lost, stolen, damaged, or destroyed as a result of negligence or willful misconduct. Under this policy, PAHO personnel may be required to reimburse the Organization for the cost of the missing asset if it is determined that reasonable measures were not taken to protect PAHO property and equipment from loss or theft.

40. In 2014, the Ethics Office received 24 reports regarding fraud and the theft or loss of PAHO resources and equipment or the fraudulent misuse of PAHO corporate or travel credit cards by non-cardholders. These cases (which are also described in the Director's 2014 Financial Report) were as follows:

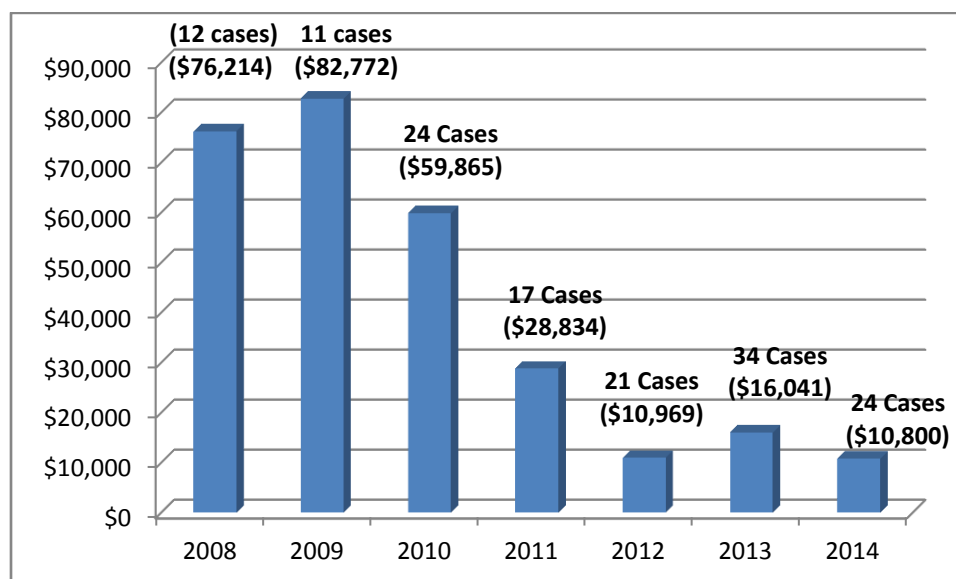
- a) Three cases involved the theft or loss of textbooks from the Expanded Textbook and Instructional Materials Program (PALTEX). The total amount of the losses was \$21,032. This amount was recovered in full from the point of sales locations in question.¹
- b) 18 cases involved the theft or loss of attractive property (laptop computers, tablets, smartphones, projectors, etc.) in the country offices and PAHO Headquarters. The amount of these losses totaled \$10,800.

¹ The full recovery of loss for the PALTEX textbooks is due to the fact that the point-of-sale locations are required to indemnify PAHO for any theft or loss of any textbooks from their distribution sites. In cases where reimbursement is not effected, the agreement with the point-of-sale location is terminated, and the outlet is removed from the list of eligible distributors.

- c) There was also one attempt to pass a fraudulent check in PAHO's name in the amount of \$82,000; however this check did not go through.
- d) There were two cases involving the misuse of PAHO's purchasing or travel credit cards committed by parties outside the Organization. In these two cases, the fraudulent charges amounted to \$444 were reimbursed by the financial institutions concerned.

41. Figure 5 shows the number of cases and the amount of fraud, theft, and loss of assets from 2008 to 2014.

**Figure 5: Amount of fraud, theft, and loss
by year, 2008 to 2014**



42. As illustrated, the amount of losses remained relatively insignificant in 2014, as only \$10,800 in assets was lost or stolen. As can be noted, this represents a significant reduction from earlier years.

New Initiatives

43. The Ethics Office issued a series of informational brochures in 2014 on conflicts of interest, outside employment and activities, and gifts and hospitality in order to increase the level of awareness of staff on these topics.

- a) The brochure on conflicts of interest explains how a conflict of interest arises when the personal interests of staff interfere or appear to interfere with their official duties in PAHO. By stressing the importance for staff to recognize when their decisions or actions may give rise to a possible conflict of interest, situations that can adversely affect the reputation and integrity of the Organization can be

- avoided. PASB staff are encouraged to disclose potential conflicts of interest in order to help the Organization maintain public trust and confidence in its ability to remain impartial and objective.
- b) The brochure on gifts and hospitality was designed to sensitize staff on the implications of accepting gifts and hospitality from vendors, suppliers and other partners. It is important for PASB staff to recognize when a gift may be used to try to influence the staff member's actions or decisions. The brochure cautions against situations that could be perceived as quid pro quo or "something for something" and encourages personnel to use discretion when interacting with suppliers, partners and government officials.
 - c) The third brochure issued by the Ethics Office was on the topic of outside employment and activities. Since the Ethics Office receives many consultations on this topic, it was important to emphasize to staff that they are expected to prioritize the work of the Organization over unpaid employment and activities outside of the Organization. While staff are permitted to engage in outside activities, such activities must not interfere with their official duties or be undertaken during official working hours.

44. In November 2014, the Ethics Office implemented a new conflict-of-interest disclosure program for the purpose of identifying conflicts of interest that may exist or potentially arise in order to safeguard the best interests of the Organization and its staff. This program consisted of a declaration-of-interest questionnaire that was issued to 125 senior staff through an online survey. The survey elicits answers to questions on a broad range of topics, including the employment and contracting of relatives and significant others; outside employment and activities; financial interests; and gifts, hospitality and awards.

45. In its role as Coordinator of the PAHO Integrity and Conflict Management System, the Ethics Office led a comprehensive review of the Rules of Procedure of the PAHO Board of Appeal, which will culminate in the issuance of new rules in 2015.

Future Actions

46. In light of the obligation on staff to report suspected wrongdoing and to cooperate in investigations and audits and the importance of protecting whistleblowers from retaliation, the Ethics Office will implement a training program specifically tailored for managers. The aim of this program will be to ensure that managers recognize the importance of people being able to air concerns and grievances without fear of retaliation. It will help to guide managers in their day-to-day interactions with staff who have filed reports of wrongdoing, protect managers from frivolous claims and help them to avoid missteps that could lead to adverse consequences. With the implementation of this training program for managers, PASB will have ensured compliance with the requirements of the United Nations Transparency and Accountability Initiative (UNTAI). This training exercise will be subsequently extended to other categories of staff.

47. In addition, as part of a renewed focus on this important topic, the Ethics Office will update PAHO's Policy on Protecting People who Report Wrongdoing or Cooperate in an Investigation or Audit, which was issued in 2009, to ensure that it conforms to best practice and the latest developments in this field.

48. The Ethics Office plans to collaborate with the Office of the Ombudsperson and other units in the Organization in creating and implementing a respectful workplace initiative on what constitutes proper conduct in the workplace and how colleagues may interact better with one another. This initiative will officially launch in 2015.

49. Furthermore, the Ethics Office will undertake a review of its staffing structure and assignment of responsibilities with the goal of dedicating greater efforts to its advisory role. It is important that the Ethics Office develops awareness strategies that focus on prevention in order to reduce the risk of improper conduct. Face-to-face meetings and trainings at all levels of the Organization would help to improve the ethical culture in PAHO and provide staff an opportunity to become more familiar with the work of the Ethics Office and the different initiatives and policies that govern ethical conduct.

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 past year, and provide additional guidance to the Organization as it sees fit.

Annex



Pan American
Health
Organization



World Health
Organization
REGIONAL OFFICE FOR THE Americas

CE156/7

Annex

ANALYTICAL FORM TO LINK AGENDA ITEM WITH ORGANIZATIONAL MANDATES

- 1. Agenda item:** 3.4 - Annual Report of the Ethics Office (2014)
- 2. Responsible unit:** Ethics Office (ETH)
- 3. Preparing officer:** Mr. Philip MacMillan
- 4. Link between Agenda item and Health Agenda for the Americas 2008-2017:**
Not applicable.
- 5. Link between Agenda item and the amended PAHO Strategic Plan 2014-2019:**
Category 6: Corporate Services/Enabling Functions
Program Area 6.2: Transparency, Accountability, and Risk Management
Outcome 6.2: PAHO operates in an accountable and transparent manner and has well-functioning risk management and evaluation frameworks
Output 6.2.3: Improved ethical behavior, respect within the workplace, and due process across the Organization [Output 6.2.3 is cited in PAHO Program and Budget 2014-2015.]
- 6. List of collaborating centers and national institutions linked to this Agenda item:**
Not applicable.
- 7. Best practices in this area and examples from countries within the Region of the Americas:**
Not applicable.
- 8. Financial implications of this Agenda item:**
This agenda item has no specific financial implications, but the Ethics Office continues to rely on the requisite level of funding to enable it to fulfill its mandate.

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