

## 158th SESSION OF THE EXECUTIVE COMMITTEE

Washington, D.C., USA, 20-24 June 2016

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*Provisional Agenda Item 3.5*

CE158/8  
27 April 2016  
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### ANNUAL REPORT OF THE ETHICS OFFICE (2015)

#### **Introduction**

1. Ethics is an important factor in achieving sustainable development and equity, as it governs the actions and decisions of personnel. In 2006, the Ethics Office was established in the Pan American Sanitary Bureau (PASB) to promote and foster ethical conduct. All personnel in PASB have access to the Ethics Office for guidance and advice on how to comply with the principles of ethical behavior set out in the Code of Ethical Principles and Conduct. The Ethics Office plays a key part in shaping 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. The presence of the Ethics Office is essential to help the Pan American Health Organization (PAHO) convey transparency, trust, and integrity within the Organization and to carry out its mission of championing health throughout the Americas.

2. In this report, the Ethics Office outlines its activities, achievements, and challenges in 2015. Areas covered include: *a)* advice and guidance provided to PASB personnel in response to consultations; *b)* allegations of misconduct that were received and investigated, including reports made through the Ethics Help Line; *c)* 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. To avoid undue influence and operate without any internal constraints or external pressures, the Ethics Office reports directly to PAHO's Governing Bodies through the Executive Committee. The Ethics Office is an independent entity in the Organization, and it has broad authority and complete autonomy to carry out its mandate of providing advice to personnel and investigating the reports it receives.

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4. The Ethics Office reports to the Deputy Director of PASB for routine administrative matters, such as biennial work plans, staffing needs, and the approval of duty travel and leave.

5. The two principal functions of the Ethics Office are to help guide staff in the right direction (advisory function) and investigate situations where persons working for the Organization may have engaged in unethical behavior (investigative function). The goal of the Ethics Office is to foster an internal work environment characterized by respect for others, integrity, trust, open communication, and tolerance for different cultures and perspectives. While 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, both inside and outside the workplace, the Ethics Office is tasked with promoting high ethical standards and responding to any doubts, questions or uncertainties about these principles when they arise.

6. Promotion of high ethical standards and guidance to personnel entails helping staff become familiar with PAHO's Code of Ethical Principles and Conduct through outreach, printed materials, and Organizational bulletins. The Ethics Office carries out its first principal function by being available to answer queries from personnel on any issue that may have ethical implications or give rise to ethical concerns, as well as through face-to-face training to individuals in Headquarters and PAHO country offices. Moreover, to address emerging trends and changing priorities, the Ethics Office develops new policies and initiatives on pertinent ethics and compliance issues, and conducts briefing and training activities that promote ethical awareness. These are a few of the ways in which the Ethics Office seeks to strengthen staff appreciation of the Organization's rules and policies so that staff more likely comply with these rules and contribute to protecting the interests of both the Organization and its staff.

7. With respect to its second principal function, the Ethics Office is responsible for conducting investigations into allegations of misconduct. Such allegations may include workplace harassment, fraud and corruption, misappropriation of resources, cases of theft or loss of the Organization's assets and equipment and other suspected ethical violations.

8. To facilitate its functions, the Ethics Office oversees the PAHO Ethics Help Line. The Help Line is a secure line of communication between the reporter and the Ethics Office so that the reporter may express his or her concerns, whether anonymously or as an uninvolved party and without fear of retaliation. The Ethics Office acknowledges that this mechanism is essential not only to PAHO but also to any effective ethics program.

9. The Ethics Help Line is administered by an outside vendor, and it allows users to ask questions on ethical issues or to report allegations of misconduct in any of PAHO's four official languages (English, French, Portuguese, and Spanish). The Ethics Help Line is accessible through a dedicated website or by toll-free telephone from any country in the Region of the Americas.

10. The Ethics Office also serves as the Coordinator of PAHO's Integrity and Conflict Management System (ICMS) and as Secretariat of the Standing Committee on Asset Protection and Loss Prevention. These roles are in addition to the two main functions of the Ethics Office.

11. Highlighted below are the principal activities undertaken and results achieved by the Ethics Office in 2015 in each of the key areas described above.

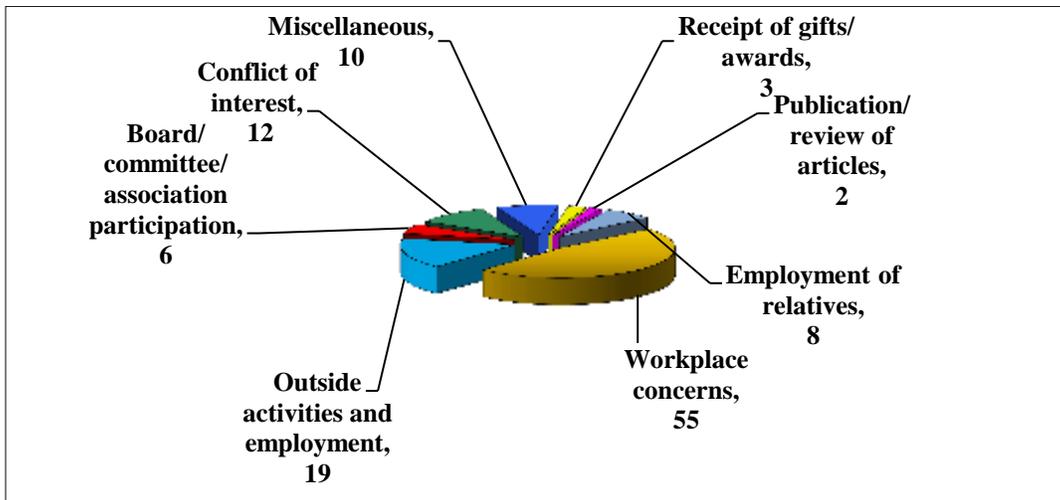
### **Advice and Guidance**

12. All persons working for the Organization 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. This is important to safeguard the reputation of individuals and the Organization itself. The Ethics Office is responsible for guiding staff in the right direction and providing authoritative advice when staff are unsure of the best course of action. The Ethics Office can guide staff in recognizing what situations may give rise to a conflict of interest, such as when the private or personal interests of staff interfere, or appear to interfere, with their responsibilities to the Organization.

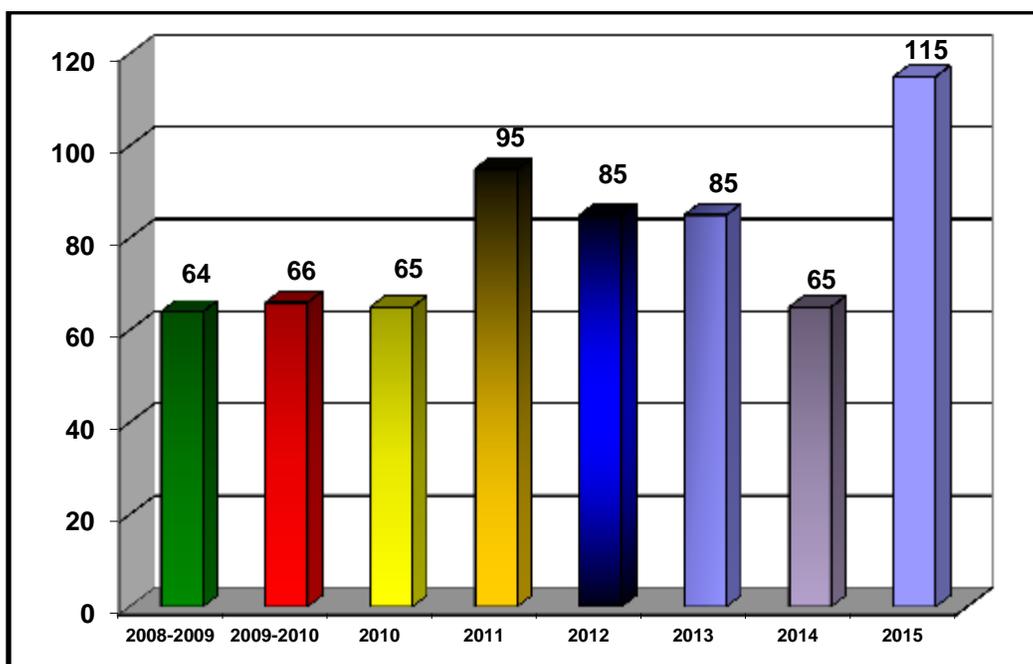
13. PASB staff are equipped to address any ethical dilemmas or concerns that they may have by: *a)* consulting the applicable policies of the Organization, including the Code of Ethical Principles and Conduct and the International Civil Service Commission Standards of Conduct for the International Civil Service, for insight or guidance regarding the issue under consideration; *b)* submitting a consultation through the Ethics Help Line (remaining anonymous if they wish); and *c)* approaching the Ethics Office directly for guidance and advice on how to address a given situation.

14. In 2015, the Ethics Office responded to 115 consultations from staff on a wide range of issues. The types of consultations received in 2015 are illustrated in Figure 1.

**Figure 1. Type of Consultations from PASB Staff, 2015 Calendar Year**



15. The 115 consultations received in 2015 were almost double the 65 consultations received in 2014, as shown in Figure 2. This pronounced increase is due, in part, to an increase during 2015 in the number of visits by the Ethics Office to country offices, where the Ethics Office held individual meetings with staff following its briefing and training sessions with all personnel. This number is slightly above the norm, since organizations typically receive consultations from about 2% to 4% of the total staffing population in any given year. Since PASB employs about 2,200 staff under all types of contracts, this number is above the higher end of the typical range and represents the most consultations that have been received in a single year since the establishment of the Ethics Office in 2006.

**Figure 2. Consultations Received by Year, 2008–2015**

16. In 2015, 55 queries were received on general workplace issues, such as respecting cultural differences in the workplace and whether a member of PASB’s personnel could offer language classes to other staff members.

17. The Ethics Office received 19 queries in 2015 regarding outside activities or external employment of PAHO staff. In one query, a staff member under a G4 visa in the United States inquired if it was permissible to deliver a lecture as part of an online course for students in a master of public health program at a local university. The Ethics Office determined that this activity would not pose a conflict with the staff member’s official duties and that the subject matter being addressed in the lecture was consistent with the work and reputation of the Organization.

18. Twelve queries were classified as potential conflicts of interest in 2015. In one case, the Ethics Office received a query from a staff member working in procurement who indicated that the staff member’s spouse owned stock in a pharmaceutical company, which is also a supplier of vaccines to the Organization. The Ethics Office determined that the staff member was not involved in the bid process for vaccines from the pharmaceutical company and, as a result, did not require the spouse to divest the stock holdings.

19. The Ethics Office received eight queries about the possible employment of family members or relatives of serving PASB personnel. Given the negative connotations associated with nepotism, the Organization does not normally allow the employment of

family members or relatives in PASB unless the person undergoes a competitive selection process, the position requires specialized skills, and no other equally qualified candidate is available.

20. In addition, the Ethics Office received six queries from PASB personnel about serving as a board member of an outside organization or association. As part of the review process, the Ethics Office seeks to ensure 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 the Board of Directors for a regional health consortium. The Ethics Office reviewed the mandate of the consortium 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 the Board of Directors.

21. The Ethics Office also received three consultations related to gifts from suppliers or vendors. PAHO's 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." Accordingly, PASB personnel are required to decline substantial gifts to avoid any perception of preference and any expectation of reciprocity from the vendor in the future.

22. Finally, the Ethics Office received two queries concerning the publishing of books and 10 consultations on other miscellaneous issues.

### **Briefing and Training Opportunities**

23. In 2015, the Ethics Office conducted briefing sessions on the role of the Ethics Office, the Code of Ethical Principles and Conduct and PAHO's Integrity and Conflict Management System (ICMS) in six country offices. The six missions, listed below, represented the greatest number of country offices visited in one calendar year since the creation of the Ethics Office in 2006.

- Jamaica – April 2015
- Costa Rica – May 2015
- Argentina – August 2015
- Mexico – August 2015
- Guatemala – October 2015
- Paraguay – December 2015

### **Investigations**

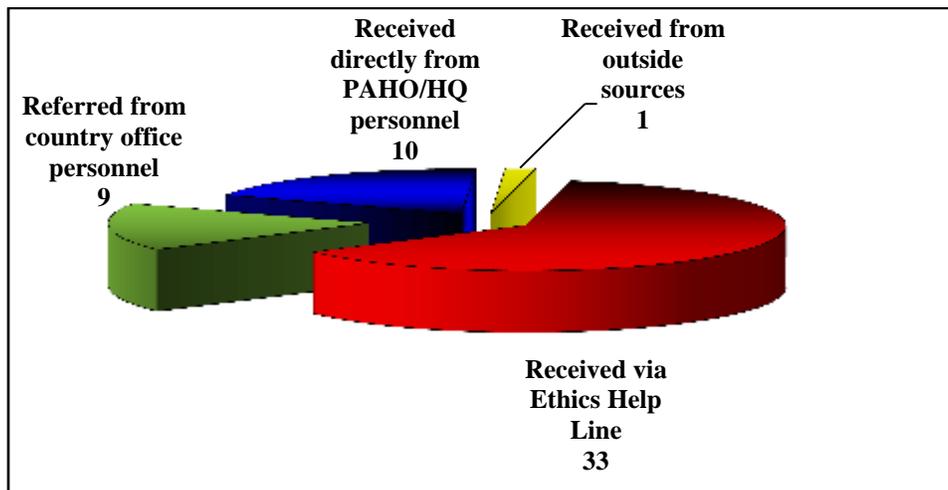
24. As part of its mandate, the Ethics Office also conducts investigations into allegations of misconduct and suspected violations of PAHO's Code of Ethical Principles and Conduct. The role of the Ethics Office is limited to determining the facts when

carrying out investigations. These investigations are strictly administrative in nature and are intended to uncover the facts so that an impartial and independent inquiry can be carried out.

25. 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 on the possible imposition of administrative or disciplinary action. Thus, the Ethics Office acts as the fact-finder, while Human Resources Management serves as the decision-maker. This separation of functions between fact-finder and decision-maker ensures greater scrutiny and transparency in the process.

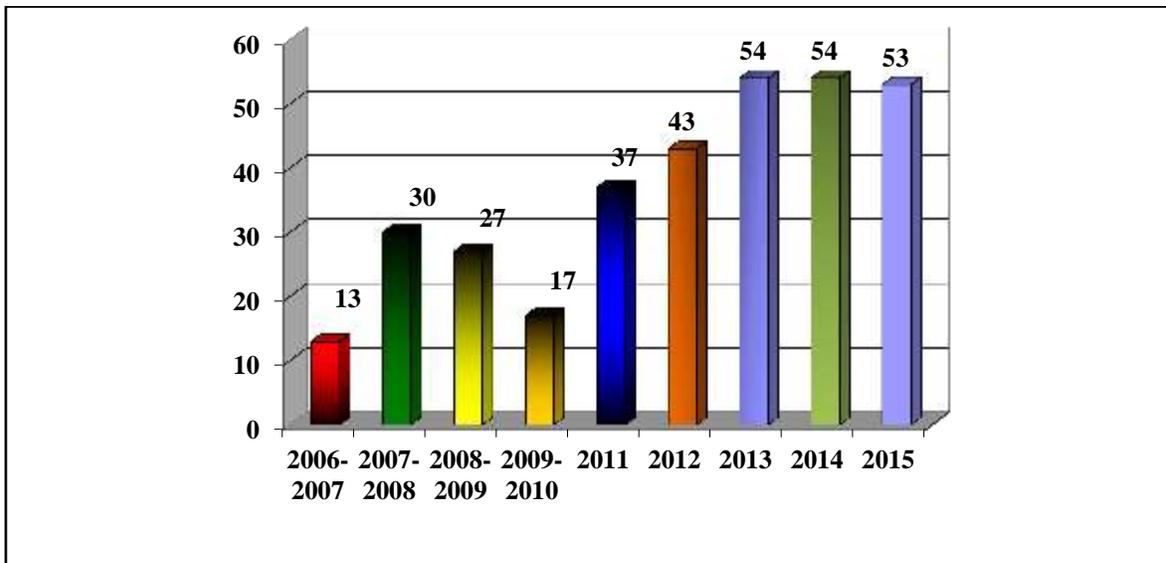
26. In 2015, the Ethics Office received 53 different reports on behavior that raised possible ethical concerns. As depicted in Figure 3, 33 of these reports were submitted through the Ethics Help Line, 31 of them anonymously. This mirrored the previous two years, where the majority of reports submitted through the Ethics Help Line were also anonymous.

**Figure 3. Reports on Behavior that Raised Ethical Concerns by Source of Information, 2015**



27. Figure 4 shows the number of reports received on ethical concerns from 2006 to 2015. In 2015, the Ethics Office received one fewer report than it did in 2013 and 2014. Unlike in the previous two years, however, all the reports in 2015 related to different issues (i.e. no duplicate reports were received on the same issue). Therefore, compared with the 45 distinct issues that were reported in 2014, the total number of new reports received by the Ethics Office in 2015 was actually about 18% higher than during the preceding year.

**Figure 4. Number of Reports on Ethical Concerns by Year, 2006–2015**



28. In 2015, the Ethics Office received 16 reports of inappropriate workplace conduct. In one case, the Ethics Office received a report about a staff member who had written an e-mail message that contained disparaging remarks about the staff member's work colleagues. After an investigation, the Ethics Office concluded that such behavior was inappropriate for someone working in PASB and inconsistent with the standards set forth for persons working in the international civil service. Moreover, this was the second occasion in which the same staff member had written a disrespectful message about another staff member. The staff member in question was subsequently separated from the Organization.

29. In another case, a staff member submitted an allegation against a supervisor. The allegation was investigated and was found to be without merit. Furthermore, it was determined that the allegation was submitted in bad faith. The staff member in question was also separated from the Organization.

30. In addition, the Ethics Office received 10 reports relating to the Organization's hiring practices, selection processes and post abolition procedures. In one case, the Ethics Office received an allegation that a staff member's post was being abolished as a retaliatory measure because the staff member reported a banking discrepancy to PAHO Headquarters. After review, the Ethics Office determined that the issue under consideration did not fall under PAHO's Policy to Protect against Retaliation for Reporting Wrongdoing or Cooperating in an Investigation or Audit, since no wrongdoing was alleged. However, in light of this case, consideration will be given whether PAHO's retaliation policy needs to be broadened. Regarding the merits of the case, the Ethics Office concluded that the staff member's post was not abolished because of the

disclosure that was made to PAHO Headquarters, but rather was based on valid operational reasons.

31. In 2015, six reports were submitted regarding rumors and alleged breach of confidentiality in the Organization. In one case, for example, the Ethics Office received a report that a PAHO country office administrator had requested the Information Technology Department (ITS) focal point in that office to improperly access the e-mails of another staff member. Following an investigation, the Ethics Office concluded that neither the administrator nor the ITS focal point in the country office had access rights that would permit them to access e-mail messages from the local server. Moreover, ITS in PAHO Headquarters conducted a systems search and confirmed as well that neither the administrator nor the ITS focal point had gained access to the other staff member's e-mail messages at any time.

32. Five reports concerning the alleged misuse of PAHO resources were submitted to the Ethics Office. In one case, for example, the Ethics Office conducted an investigation into allegations that administrative staff in a PAHO country office were improperly using PAHO funds to procure and serve alcohol at workplace events and were therefore promoting alcohol consumption. After review, the Ethics Office concluded that while the staff members in question had not breached any Organizational policy, discretion should always be used when alcohol is served at a PAHO function, and consideration should be given to the amount of alcohol, time of day, and frequency of such functions or events.

33. The Ethics Office also received three formal harassment complaints in 2015 from staff in different departments. One complaint was filed by a staff member against a supervisor, another complaint was filed by a staff member against a colleague, and a third complaint was submitted by a manager against a subordinate.

34. Three reports were received by the Ethics Office alleging an abuse of authority by staff members in supervisory roles. In one instance, the Ethics Office conducted an investigation into the alleged duty-free purchase of a motor vehicle by a locally recruited staff member. After a review, it was determined that while the staff member obtained a vehicle duty-free, the requisite approvals were provided, albeit erroneously, by both the staff member's supervisor and by the Ministry of Foreign Affairs. The investigation also revealed that the staff member never misled anyone and that the relevant documentation did not contain any misrepresentations. As a result, there was no finding of misconduct on the staff member's part. However, the Ethics Office recommended that the Organization make it clear to local personnel what are their applicable duty-free benefits and entitlements, if any, to avoid similar oversights in the future.

35. The Ethics Office received other reports relating to various issues, such as a potential conflict of interest, an alleged use of excessive sick leave by a staff member, staff allegedly being required to work overtime without proper compensation, difficulty in obtaining retirement benefits, improper disclosure following the temporary closure of

the PAHO Headquarters cafeteria, and a failure to make timely payments to contract interpreters.

36. Finally, most of the reports submitted to the Ethics Office involved allegations of misconduct. However, it was determined in one case that the staff member did not engage in misconduct, but rather was negligent in the performance of official duties. PASB's Staff Rules define misconduct as, inter alia, showing serious negligence or disregard for the Organization's interests or demonstrating an intentional or substantial disregard for the staff member's duties and obligations to the Organization. In this case, the staff member failed to diligently carry out the assigned duties of the post, which resulted in a significant financial outlay for the Organization. After an investigation, the staff member was transferred to a different post with less responsibility.

### **Fraud, Theft, and Loss of PAHO Property**

37. The Ethics Office is also the focal point in PAHO for all cases of fraud, theft and loss of PAHO property, assets, or equipment. As a result, all such cases must be reported to the Ethics Office.

38. All suspected cases of fraud and corruption are actively investigated, and disciplinary action, including in some cases termination of appointment, is taken as appropriate. PAHO has a zero tolerance policy for fraud and corruption.

39. PASB staff are expected to take care of organizational property as if it were their own personal property. To this end, PAHO's Asset Accountability Policy, instituted in 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. If it is determined that reasonable measures were not taken to protect PAHO property and equipment from loss or theft, personnel may be required to reimburse the Organization for the cost of the missing asset.

40. In 2015, the Ethics Office received 24 reports regarding suspected fraud, the theft or loss of PAHO resources and equipment, and the fraudulent misuse of PAHO corporate or travel credit cards by non-staff. These cases (which are also described in the Director's 2015 Financial Report) were reported as follows:

- a) two cases involved the theft or loss of textbooks valued at \$56,598 from the Expanded Textbook and Instructional Materials Program (PALTEX). This amount was reimbursed to PAHO by the point-of-sale-locations;<sup>1</sup>

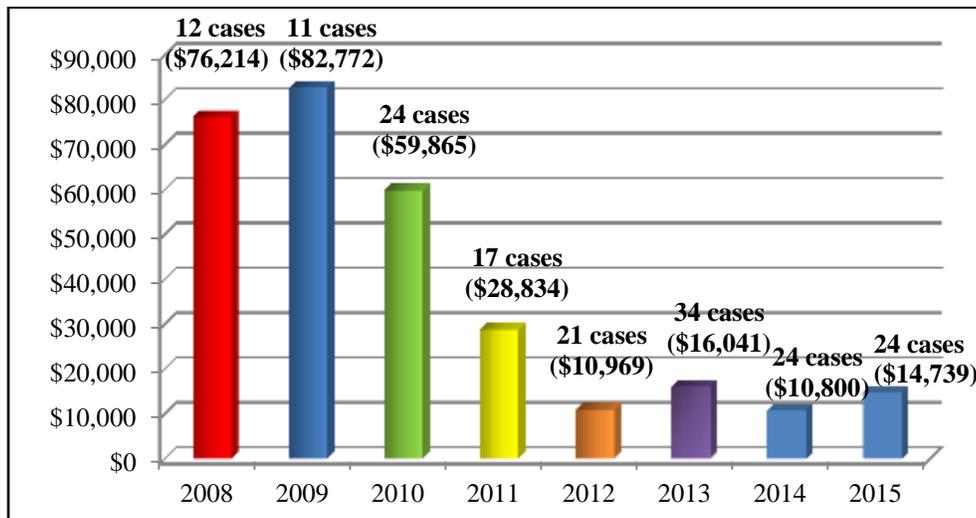
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<sup>1</sup> Point-of-sale locations are required to indemnify PAHO for any theft or loss of any textbooks from their distribution sites and, accordingly, PAHO typically recovers the losses in full. In cases where reimbursement is not effected, the agreement with the point-of-sale location is terminated, and the outlet is removed from the list of eligible distributors.

- b) twenty 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 \$14,739;
- c) there were two instances of misuse of PAHO's purchasing or travel credit cards committed by non-PASB staff. The fraudulent charges, totaling \$5,700, were reimbursed in full by the financial institutions that issued the purchase or travel cards.

41. Figure 5 shows the number of cases and the dollar amount of fraud, theft, and loss of assets from 2008 to 2015.

**Figure 5. Amount of Fraud, Theft, and Loss, by Year, 2008–2015**



42. As illustrated, the amount of losses remained relatively low in 2015, as only \$14,739 in assets was lost or stolen. This amount is more or less consistent with the losses sustained over the last four years.

### **PAHO's Integrity and Conflict Management System**

43. The Ethics Office also serves as the Coordinator of PAHO's Integrity and Conflict Management System (ICMS). The ICMS was established in 2007 and incorporates all the resources dealing with integrity and conflict resolution under one umbrella, so that they are more accessible, effective, and easily understood by personnel.

44. The ICMS members<sup>2</sup> met on four separate occasions in 2015. The meetings largely focused on reviewing the report of an external expert panel that was commissioned by the World Health Organization to review its internal administration of justice system. The ICMS examined all 41 recommendations made by the expert panel and noted that 27 of the main recommendations made by the expert panel were already in place at PAHO or were currently under consideration to be implemented in the Organization in the near future. For the remaining 14 recommendations, the ICMS did not agree with the proposed changes, felt that they were not necessary, or considered them not to be applicable to PAHO.

### **New Initiatives**

45. In 2015, the Ethics Office collaborated with the Office of the Ombudsperson and other units in the Organization to create and implement a new Respectful Workplace Initiative, which was officially launched in July 2015. The Respectful Workplace Initiative reinforces what constitutes proper conduct in the workplace and offers guidance on how staff members can interact better with one another. The implementation of this initiative is expected to lead to a more respectful working environment and to help reduce conflict and inappropriate workplace conduct.

46. In late 2015, the Ethics Office finalized the first iteration of a survey to gauge the ethical climate and work environment in the various departments at PAHO Headquarters and country offices. The principal purpose of this survey is to obtain the opinion of PASB personnel on the work environment and workplace ethics. The information gleaned from responses to the survey can then be used to address workplace concerns before they require a more formal resolution process and to develop specific awareness and training programs to meet the needs of PASB personnel.

47. The survey was then piloted in the PAHO/WHO country offices in Guatemala and Paraguay in October 2015 and December 2015, respectively, and will be further refined before being officially launched throughout PASB in 2016.

### **Future Actions**

48. Continuing its work on the Respectful Workplace Initiative, the Ethics Office will collaborate further with the Office of the Ombudsperson on this important institutional activity by helping to develop an eLearning course for all PASB personnel. The Ethics Office will assist in framing the course and provide guidance on various policies of the Organization that are referenced in the course.

49. In 2006, concurrent with the establishment of the Ethics Office, a help line was implemented in PAHO to facilitate the reporting of allegations of misconduct and to

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<sup>2</sup> The ICMS members include the Ethics Office, the Ombudsman's Office, the Office of the Legal Counsel, Human Resources Management, Information Security, Internal Evaluation and Oversight Services, the Board of Appeal, and the PAHO/WHO Staff Association.

allow staff to express their concerns or make inquiries anonymously and without fear of retaliation. This Help Line has served the Organization well over the years, providing a reliable mechanism for staff to express their concerns and ask questions. However, it is based on an outdated platform and has notable limitations that impact its functionality. As a result, the Ethics Office will be transitioning to a new help line in 2016 that will feature a more sophisticated case management system and better analytical tools to monitor the status of cases, track trends, and generate statistics.

50. In 2016, the Ethics Office will implement a training program specifically tailored to managers to ensure that they recognize the importance of staff being able to express concerns and grievances without fear of retaliation. The objective of this training program will be to educate managers on PAHO's "Policy to Protect against Retaliation for Reporting Wrongdoing or Cooperating in an Investigation or Audit," on general principles of retaliation and protection, and how managers can avoid missteps that often lead to complaints of harassment or other types of misconduct. This training exercise will ultimately be extended to other categories of staff as well.

51. One of the key functions of the Ethics Office is to provide guidance to staff on ethical issues and teach them how to avoid pitfalls that can lead to violations of the Code of Ethical Principles and Conduct or other rules and policies of the Organization. In an effort to increase awareness throughout the Organization on ethical issues, the Ethics Office intends to engage the services of a third party in 2016 to provide off-the-shelf online training programs and resource materials for internal use in PASB.

52. Finally, the Ethics Office has undertaken a review of its staffing structure and assignment of responsibilities and has received approval to increase its staffing in the coming year. The Ethics Office intends to use its additional resources to establish two separate functions within the department: one that will focus on providing advice and guidance and developing outreach programs and the other dedicated to conducting investigations into allegations of misconduct. With more human resources, the Ethics Office will be able to strengthen its focus on prevention and reduce the risk of improper conduct. In the opinion of the Ethics Office, face-to-face meetings and trainings at all levels of the Organization would help to improve the ethical culture in PAHO and to make staff more familiar with the work of the Ethics Office and the various policies and initiatives that govern ethical conduct in the workplace.

#### **Action by the Executive Committee**

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

Annex

**ANALYTICAL FORM TO LINK AGENDA ITEM WITH ORGANIZATIONAL MANDATES**

1. **Agenda item:** 3.5 - Annual Report of the Ethics Office (2015)
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 [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.