



170th SESSION OF THE EXECUTIVE COMMITTEE

Washington, D.C., USA (hybrid session), 20-24 June 2022

Provisional Agenda Item 3.6

CE170/9
5 April 2022
Original: English

REPORT OF THE INVESTIGATIONS OFFICE FOR 2021

Introduction

1. The Investigations Office (INV) was established on 1 January 2018, following a decision by Executive Management of the Pan American Sanitary Bureau (PASB), and endorsed by the Executive Committee of the Pan American Health Organization (PAHO) to have a separate and dedicated unit to carry out the investigative function within PASB. Prior to 1 January 2018, the investigative function was performed by the Ethics Office.
2. The Investigations Office plays a key role in fostering good governance of the Organization. It conducts professional, independent, impartial, objective, and timely administrative fact-finding investigations into allegations of wrongdoing involving PASB personnel or in activities contracted or financed by PAHO. Findings and conclusions issued by INV provide management with a factual basis upon which to make informed decisions and take appropriate disciplinary action to hold staff accountable for their conduct.
3. Staff assigned to INV must demonstrate personal integrity, objectivity, and confidentiality, and the Office must perform its mandate without external influence. Investigators in INV are all certified fraud examiners, and INV has in-house language capability in three of the four official languages of PAHO: English, Portuguese, and Spanish.
4. Allegations or concerns about suspected wrongdoing may be reported to INV through various channels, including by email and online through the PAHO Helpline. The PAHO Helpline is administered by an independent external company and provides a safe line of communication accessible through a dedicated and secure website. The PAHO Helpline website is available in the Organization's four official languages and allows persons to submit reports anonymously, if they wish, without fear of retaliation.
5. In addition to its primary function, the INV serves as secretariat of the Standing Committee on Asset Protection and Loss Prevention (APLP).¹ The APLP meets quarterly to discuss cases of fraud, theft, and loss of PAHO property. The Investigations Office is

¹ The APLP has the following members in addition to the Investigations Office: The Director of Administration (the Chair), the Departments of Financial Resources Management and General Services Operations, the Office of the Legal Counsel, the Office of Internal Audit, and the Ethics Office.

also a member of the PAHO Integrity and Conflict Management System (ICMS).² The ICMS brings together all the offices in PASB responsible for addressing matters of organizational integrity and conflict resolution.

6. Additionally, the Chief Investigator chairs the Investigations Coordinating Committee, which also includes the Director of Human Resources Management and the Legal Counsel. This committee is responsible for discussing allegations of wrongdoing and deciding on any interim actions that need to be taken to allow INV to complete an investigation and to protect the interests of staff and the Organization.

7. This annual report of INV outlines the work, achievements, and lessons learned in 2021. The areas covered include *a)* reports of alleged wrongdoing that were received and investigated; *b)* awareness raising; *c)* lessons learned from investigations; and *d)* future actions that will be taken to further enhance the integrity and reputation of the Organization and PASB personnel.

Independence and Resources

8. To allow for an independent exercise of its functions, INV has a direct reporting relationship with the Governing Bodies of PAHO through the Executive Committee. This ensures that INV remains free from reprisal and outside influence when planning and performing its work and reporting on the results. INV has a reporting relationship with the Deputy Director of PASB for administrative matters and receives advice from the Audit Committee. In the performance of its duties in 2021, INV did not encounter any interference with its independence, nor did it meet any obstacles in terms of the scope of its work and its access to records and information.

9. The Investigations Office completed its recruitment of an administrative assistant in 2021, bringing the number of staff to three.

The Investigations Office in 2021

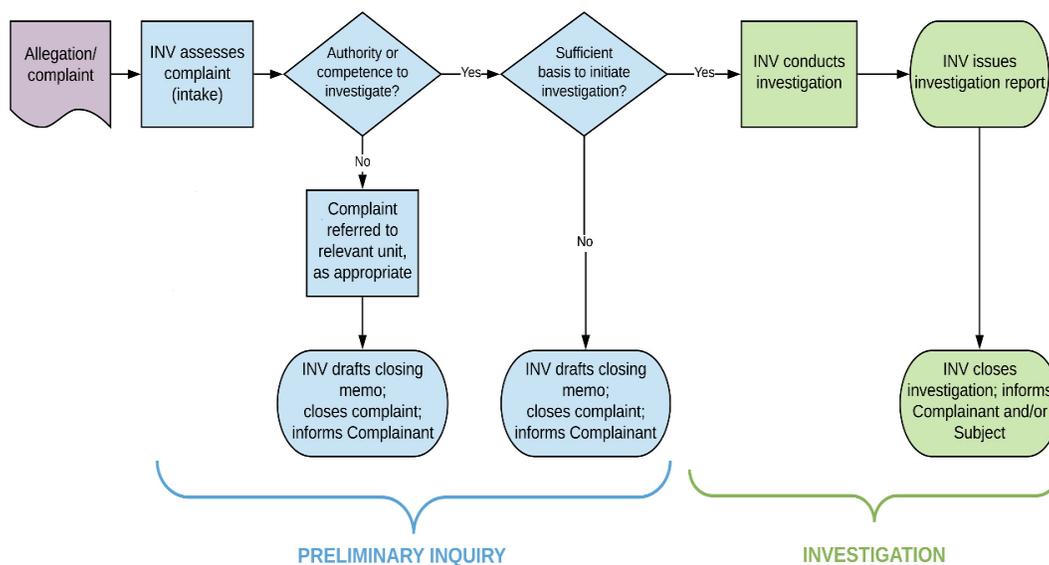
10. In 2021, INV conducted investigations into allegations of wrongdoing including fraud, harassment, and inappropriate workplace behavior, among other possible breaches of PAHO regulations, rules, and policies.

11. Investigations in PASB are reactive in that the investigation process is triggered only when a complaint or allegation about a possible violation of PAHO rules or policies is received. Typical steps taken in an investigation include *a)* preliminary inquiry, *b)* investigation, and *c)* submission of an investigation report. Upon receipt of a complaint or allegation, the Office conducts a review to ascertain whether the complaint is within its authority and competence to investigate. During the preliminary inquiry, INV also seeks to assess the credibility and sufficiency of the information provided and to determine

² The ICMS has the following members in addition to the Investigations Office: The Ethics Office (the Chair), the Office of the Ombudsman, the Office of the Legal Counsel, the Department of Human Resources Management, the Information Security Officer, the Office of Internal Audit, the Board of Appeal, and the PAHO/WHO Staff Association.

whether there is enough basis to initiate an investigation. In some cases, it may decide that a less formal approach is more appropriate; this may entail guidance from INV or referral to a relevant department within PASB. In these cases, as there may be insufficient information to initiate an investigation, INV prepares a preliminary assessment report (PAR), which remains internal. If INV determines that there is sufficient basis upon which to proceed, it initiates an investigation, which includes a comprehensive review of pertinent documentation and interviews with people who may have relevant information to provide about the issue being investigated. After the investigation is completed, INV normally submits a report of its findings to the Director of Human Resources Management (HRM) or, in matters concerning a contractor, vendor, or supplier, to the Director of Administration, who is responsible for deciding whether to take administrative or disciplinary action. Figure 1 illustrates the investigation process described above.

Figure 1. Investigation Process



12. The Investigations Office therefore acts as the fact finder, while the Director of HRM or the Director of Administration serves as the decision maker. This separation of functions is essential in order to achieve greater scrutiny and transparency.

13. In 2021, INV received 32 reports of alleged wrongdoing. As shown in Table 1 below, an average of about 44 reports per year were received during the past five years. Thus, the figure of 32 reports received in 2021 is below the five-year average. It is lower than the 49 reports received in 2020, marking a continued decline in reports since the start of the COVID-19 pandemic, which also may be explained by the Organization's shift to emergency teleworking in 2020.

14. The Investigations Office resolved 31 of the 37 matters it reviewed in 2021 (consisting of reports carried forward from 2020 and reports received in 2021). As can be seen in Table 1, the number of reports carried forward (six) remains lower than the average number of reports carried forward over the last five years, which is 10.

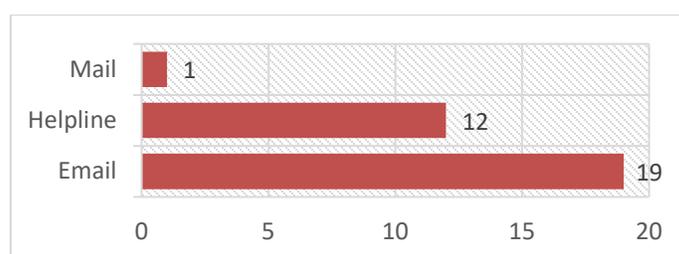
Table 1. Case Management Statistics, 2017-2020

Item	2017	2018	2019	2020	2021
<i>Reports reviewed:</i>					
Reports carried over from previous year(s)	22	15	14	10	5
Reports received in the given year	38	49	54	49	32
Total number of reports reviewed in given year	60	64	68	59	37
<i>Reports resolved:</i>					
Reports closed at Intake or referred elsewhere*	12	20	26	23	17
Reports closed at Preliminary Inquiry by INV	21	20	22	25	10
Reports resulting in an investigation report	12	10	10	6	4
Total number of reports resolved in given year	45	50	58	54	31
Reports carried forward to the following year	15	14	10	5	6

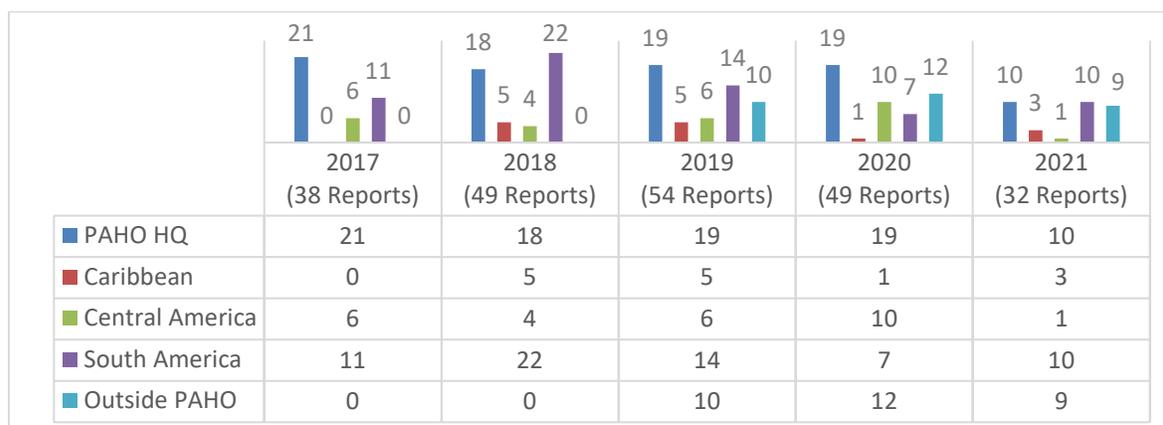
* Note: Reports are closed at Intake when they fall outside of the remit of INV.

15. Nineteen (59%) of the 32 reports were submitted to the Investigations Office by email, and 12 (38%) were submitted through the PAHO Helpline (Figure 2). Of those received through the PAHO Helpline, five were submitted anonymously. One report (3%) was received by mail from an anonymous source. That the majority of reports were submitted directly to INV may reflect the awareness-raising sessions conducted by INV, which not only emphasize use of the PAHO Helpline, but also stress the accessibility of the staff of INV and ease in reaching and communicating with INV.

Figure 2. Reports of Alleged Wrongdoing, by Contact Method, 2021



16. Figure 3 below shows a subregional comparison of the reports received during the past five years, sorted by the location of the alleged wrongdoing. In 2021, 10 reports came to the Investigations Office from Headquarters, 10 from the South America subregion, three reports from the Caribbean subregion, and one report from the Central American subregion. Nine reports were received from outside of PAHO.

Figure 3. Location of Alleged Wrongdoing, by Subregion, 2017-2021

Note: In 2021, INV received one report that entailed allegations of two subregions and is counted in both categories for this year.

17. The number of reports of alleged wrongdoing have increased in the Caribbean and South American subregions. However, the number of reports from Headquarters and the Central American subregion have declined. Increased awareness-raising efforts in Headquarters and the Central American subregion may be needed to ensure that PASB personnel in PAHO/WHO Representative (PWR) Offices know where to turn when they want to report suspected misconduct.

Table 2. Reports of Alleged Wrongdoing Received, by Type, 2017-2021

Type	2017	*2018	2019	2020	2021
Fraud	6	15	15	2	9
Harassment	5	4	10	11	3
Sexual harassment	3	1	0	0	0
Discrimination	0	0	0	1	0
Attendance/failure to work appropriate hours	0	5	2	1	0
Conflict of interests	4	6	3	2	0
Inappropriate workplace conduct	14	14	8	9	5
Retaliation	0	2	1	0	0
Rumor mongering	0	1	1	1	0
Hiring practices; selection processes	5	2	0	2	0
G-5 domestic worker issues	1	0	0	0	0
Improper termination	0	0	0	2	1
Miscellaneous/Out of remit	0	0	14	18	14
Total:	38	50	54	49	32

* Note: In 2018, the Investigations Office received one report that entailed allegations of both fraud and harassment, and this report is counted in both categories for that year.

18. As shown above in Table 2, reports related to fraud rose from two in 2020 to nine in 2021. The resurgent number of fraud reports in 2021 may be reflective of increased vigilance on the part of the Organization. The statistics show that there is no less opportunity for fraud. Rather, the Organization needs a more comprehensive understanding of where fraud may

occur, even during a pandemic, and needs to take an extensive approach to fraud prevention and detection.

19. Five reports of alleged wrongdoing in 2021 pertained to inappropriate workplace conduct such as discourteous behavior or improper use of the Organization’s resources. While such conduct is to be discouraged, it does not necessarily warrant disciplinary action and may instead be addressed and resolved through guidance from INV or referral to another member of the ICMS.

20. Table 2 shows a sharp decline in the number of alleged harassment reports, reaching three reports in 2021, compared to 11 reports received in 2020. This is also the third consecutive year in which no reports of alleged sexual harassment were received. As noted last year, this may be a sign of underreporting. However, the 2021 harassment and sexual harassment figures may also be interpreted as an effect of the teleworking arrangements at the onset of the COVID-19 pandemic, with fewer PASB personnel working together in person for most of the year.

21. Fourteen of the reports received are in the miscellaneous category because they were out of the remit of INV. Such reports usually involve allegations or grievances not related to any of the wrongdoing typology that INV tracks; they generally involve complaints from members of the public or anonymous sources about matters that did not involve the Organization and its personnel. When possible, INV redirected complainants to the appropriate sources of redress.

22. The Investigations Office submitted four investigation reports to the Director of HRM in 2021. Most of these pertained to harassment, as shown in Table 3. The statistic of four investigation reports is lower than the five-year average of eight investigation reports submitted in a calendar year. INV notes that of the six cases carried forward from 2021 to 2022, four cases were converted to full investigations, and INV expects to submit investigation reports on those matters in 2022.

Table 3. Investigation Reports Submitted, by Type, 2017-2021

Type	2017	2018	2019	2020	2021
Fraud	1	3	8	0	0
Harassment	3	4	0	4	3
Sexual harassment	2	1	0	0	0
Discrimination	1	0	0	0	0
Conflict of interests	0	1	0	1	0
Inappropriate workplace conduct	1	1	1	1	1
Hiring practices; selection processes	2	0	0	0	0
G-5 domestic worker issues	2	0	0	0	0
Breach of national laws	0	0	1	0	0
Total:	12	10	10	6	4

23. Regarding the four matters resulting in investigation reports, Table 4 details the location of the alleged wrongdoing and the nature of each allegation.

Table 4. Investigation Reports Submitted, by Location and Nature of Alleged Wrongdoing, 2021

Location	Alleged wrongdoing	Substantiated or unsubstantiated by Investigations Office
Headquarters	Harassment	Substantiated
Headquarters	Harassment	Unsubstantiated
PWR Office	Harassment	Unsubstantiated
PWR Office	Inappropriate workplace conduct	Substantiated

Fraud, Theft, Damage, and Loss of PAHO Property

24. All cases of fraud, theft, damage, and loss of PAHO property must be reported to the APLP. In its role as secretariat of the APLP Committee, INV keeps a record of these matters within PASB.

25. In accordance with the PAHO Asset Accountability Policy, instituted in 2012 and revised in 2020, staff are held responsible for replacing or repairing any equipment that is lost, stolen, damaged, or destroyed because of negligence or willful misconduct. This requirement encourages PASB personnel to care for the Organization's property as if it were their own. Reports of thefts and losses of PAHO equipment are made to General Services Operations (GSO), which determines the applicable value of the reported item and reviews the reported circumstances of the loss, theft, or damage. GSO then advises the APLP on whether reasonable measures were taken to protect the property or equipment from loss or theft. If not, staff members may then be required to reimburse the Organization for the cost of the missing or damaged asset. If GSO determines the theft or loss was due to gross negligence or willful misconduct, GSO refers the matter to INV for review.

26. In 2021, 11 cases related to fraud, theft, damage, or loss of property were reported to the APLP. The total value of losses reported was US\$ 28,131.32.³ PAHO recovered \$2,566.67 from this amount, leaving a net loss of \$25,564.65 to the Organization. Details are as follows:

- a) Ten cases had to do with theft, damage, or loss of attractive property such as laptops and cell phones in PWR Offices and Headquarters. The total net loss to the Organization amounted to \$25,480.65. Two instances account for \$21,240.58 of the total net loss to the Organization:
 - i. In the first instance, a PWR Office purchased equipment that was shipped to PAHO Headquarters for dispatch to the purchasing PWR Office. A theft occurred en route during the dispatch, and only some of the equipment was delivered to the PWR Office. Due to an administrative oversight, the shipment

³ Unless otherwise indicated, all monetary figures in this report are expressed in United States dollars.

was only partially insured, resulting in the Organization not being able to recover the full amount from the insurers. This resulted in a loss of \$7,907.24.

- ii. In the second instance, the Organization directed payment intended for a supplier to a fraudster posing as the supplier as part of an online fraud scheme. The Organization wrote off the loss for the payment of \$13,333.34 to the fraudulent recipient. The APLP met and discussed measures to better prepare the Organization against fraudulent activities, and as a result of this meeting, the Chair of the APLP led entities under its supervision in updating payment protocols, communicating email scam alert campaigns, and training personnel on new procedures.
- b) In one case, the Organization identified 45 transactions involving online fraudsters, who tested stolen credit cards on the PAHO donation portal to verify that the cards were active, presumably in order to continue using them fraudulently on other e-commerce sites. The Department of Financial Resources Management (FRM) reimbursed the cardholders the amounts received. FRM was proactive in returning money to the individuals prior to receiving notice of a dispute, in order to avoid bank fees, but there were seven instances when a chargeback fee (\$12 per dispute) was levied. Therefore, PAHO suffered a net loss of \$84.
- i. The 45 fraudulent transactions reported to the APLP Committee are considered banking issues and did not result in an investigation. Moreover, in late 2021, FRM enhanced its measures to prevent fraudulent testing on the Organization's donation portal and, in collaboration with its credit card provider, FRM implemented filtering rules to further advance its detection methods.

Awareness Raising

27. As the work of INV is solely reactive, awareness-raising sessions are an important means to encourage PASB personnel to report alleged wrongdoing and to remind them of their obligation to do so.

28. In 2021, INV conducted virtual awareness-raising sessions for over 80 personnel, as follows: *a)* at Headquarters: Strategic Fund for Public Health Supplies, *b)* a group of 20 PAHO/WHO Representatives, and *c)* PWR Offices in Barbados, Jamaica, Suriname, and Uruguay.

29. The Investigations Office found that outreach activities had a generally positive correlation with reports received. INV saw an increase from 2020 to 2021 in the number of reports received from the Caribbean and South American subregions. However, awareness-raising efforts can be improved in Headquarters and the Central American subregion.

Other Developments and Activities

30. As an active member of the ICMS, in 2021, INV participated in the continuing review and drafting of PAHO's Sexual Exploitation and Abuse Policy and the Protection against Retaliation Policy. Both policies were finalized and published in 2021.

31. In light of recent developments within the World Health Organization regarding sexual exploitation and abuse in the Democratic Republic of Congo, PASB is reviewing its processes, including the manner in which the Investigations Office carries out investigations. INV is leading a working group, comprised of the ICMS, in updating the Investigation Protocol to reflect current industry best practices and recent developments in governing jurisprudence.

32. In 2021, INV staff participated in 57.5 hours of remote training on how to manage and conduct fair, thorough, and confidential investigations into complaints of sexual exploitation and abuse. In 2021, Investigations Office staff also participated in the first in a series of two-hour trainings organized by the World Bank on the UN System Chief Executives Board for Coordination's *Investigators' Manual: Investigation of Sexual Harassment Complaints in the United Nations*.

33. The Investigations Office is actively engaged in United Nations system-wide fora such as United Nations Representatives of Investigation Services (UNRIS) and the Conference of International Investigators (CII). Investigations Office staff take advantage of trainings and symposiums on fraud, harassment, and other notable topics, offered annually by UNRIS and CII. Investigations Office personnel are fully engaged in these fora and led a workshop on "Unique Challenges of Small Investigations Offices" during the 2021 annual conference of the CII.

Lessons Learned

34. In 2021, the number of fraud reports increased from 2020. Throughout the year of 2021, INV raised concerns with senior management and emphasized the need for continued vigilance thereafter. It also pointed out that the COVID-19 context might give rise to new avenues for fraud. Senior management responded by asking for the development of new fraud-risk profiles, and PASB was indeed capable of detecting fraud even within the COVID-19 context. These efforts should be reinforced going forward.

35. In addition, four of the six cases that were carried over from 2021 to 2022 were converted to full investigations, yet these four matters require retrieval of documents and information from organizations outside of PASB. Delays in responding from such outside sources is causing impediments for INV to close matters.

36. The Investigations Office received a lower number of reports this year, and this is perhaps the result of teleworking and restrictions on mission travel. As reports of fraud and inappropriate workplace behavior continue to be submitted, it remains necessary to ensure that staff are aware of reporting mechanisms and informed about what to report to INV.

Future Actions

37. The Investigations Office will continue to support the Organization by proactively identifying trends and patterns in reports received and in investigations. As PASB further strengthens its efforts to identify and manage risks, fraud prevention and detection remain key issues. Investigations conducted by INV can serve as a deterrent and help uncover fraud losses. INV plays an important role in the overall PASB risk management framework to help protect the Organization's reputation and safeguard its financial well-being. To this end, INV is engaging with other oversight offices to share experiences and themes observed in closed cases. INV is also planning to lead a discussion among APLP members and other units on fraud red flags.

38. In 2022, INV continues to lead a review of the Investigation Protocol with the ICMS. Revision of this protocol will ensure that it is in line with latest industry best practices and standards. It will also establish criteria for the handling and prioritization of reports that INV receives.

39. In anticipation of reports of sexual exploitation and abuse that may arise following the issuance of the SEA policy, INV places importance on continuous training for its staff in sexual exploitation and abuse to ensure that its investigators are prepared and informed on the latest best practices and techniques used in conducting investigations of this nature.

40. The Investigations Office will continue its outreach to entities in Headquarters and in the PWR Offices in order to raise awareness about reporting mechanisms. INV will pay close attention to strengthening awareness raising in Headquarters and the Central American subregion.

Action by the Executive Committee

41. The Executive Committee is invited to take note of this report, solicit additional information or clarification on the work and activities of the Investigations Office in 2021, and provide additional guidance to PASB as it sees fit.

Annex

Analytical Form to Link Agenda Item with Organizational Mandates

1. Agenda item: 3.6 Report of the Investigations Office for 2021
2. Responsible unit: Investigations Office (INV)
3. Preparing officer: Mr. Alexander Lim
4. Link between Agenda item and Sustainable Health Agenda for the Americas 2018-2030: Not applicable.
5. Link between Agenda item and the Strategic Plan of the Pan American Health Organization 2020-2025: <i>Outcome 27:</i> Leadership and governance. Strengthened PASB leadership, governance, and advocacy for health. <i>Output 27.2:</i> The Pan American Sanitary Bureau operates in an accountable, transparent, compliant, and risk management-driven manner, with organizational learning and a culture of evaluation. <i>OPT Indicator 27.2.c:</i> Time taken to address fraud and corruption as well as staff misconduct issues.
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 INV continues to rely on the requisite level of funding to enable it to fulfill its mandate.