



PAN AMERICAN HEALTH ORGANIZATION  
WORLD HEALTH ORGANIZATION



# 142nd SESSION OF THE EXECUTIVE COMMITTEE

Washington, D.C., USA, 23-27 June 2008

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*Provisional Agenda Item 3.4*

CE142/7 (Eng.)

20 May 2008

ORIGINAL: ENGLISH

## ANNUAL REPORT OF THE ETHICS OFFICE

### Executive Summary

1. The Ethics Office (EO) was established in May 2006 to promote a culture of ethics and accountability in the Pan American Sanitary Bureau (PASB) and to help establish an effective integrity and conflict resolution system. This report highlights the activities and achievements of EO during its second year of operation, outlines emerging trends, and recommends future actions to enhance the Organization's ethical culture.

### Reporting Period

2. This report covers the period 1 May 2007 to 30 April 2008. Last year's annual report stated that future reports would be prepared on a calendar-year basis, from 1 January to 31 December, to facilitate reporting. It has since been decided that a reporting period from 1 May to 30 April is preferable because it will allow the most recent developments and cases to be reported to the Executive Committee when it convenes annually in June.

### Activities and Achievements of the Ethics Office

3. The four principal functions of the EO are to:
- (a) Provide advice and guidance to staff and management on ethical issues;
  - (b) Provide training and education on ethical issues and PASB's Code of Ethical Principles and Conduct;
  - (c) Conduct investigations into alleged misconduct, harassment and violations of the Code of Ethical Principles and Conduct;

(d) Coordinate the Integrity and Conflict Management System (ICMS).

4. The principal activities undertaken and results achieved in each of these four areas during 2007-2008 are highlighted below:

***Providing Advice and Guidance***

5. Providing advice to staff members is a critical component of EO's mandate. When staff ask questions on ethical issues and receive proper guidance and direction, they are better able to act in a responsible manner that protects both the Organization's and their own interests and reputations. For this reason, EO actively encourages staff to ask questions on any ethical concerns they may have to help them avoid potential conflicts and problems and to ensure compliance with PASB's Code of Ethical Principles and Conduct.

6. To promote the role of EO and to encourage staff members to ask questions or report suspected irregularities, EO launched an awareness campaign in July 2007 with the theme of "A Helping Hand." The campaign included brochures sent to every person serving at the PASB and posters that were displayed at HQ and in every PASB country office and center. The brochures and posters—printed in all four official languages—were designed to:

- Emphasize that the drive to obtain results must never compromise the integrity or reputation of PAHO in any way;
- Provide concrete examples of situations that could compromise the reputation or integrity of PAHO;
- Highlight the obligation to speak up if someone is engaging in improper or unethical behavior;
- Advise personnel how to contact EO or use the Ethics Help Line to ask a question or report a situation that raises ethical concerns.

7. In 2007-2008, EO received an increasing number of queries from staff on a wide range of issues, including:

- Memberships on the boards of directors of nongovernmental organizations and other associations;
- External employment, including university teaching;
- Receipt of awards, gifts, promotional items and free airline tickets;
- Hiring of family members and relatives;
- Participation on internal boards and committees, and conflict of interest situations;

- Publication of external articles in scientific journals and general-interest articles that are unrelated to PAHO work;
- Interactions with the media;
- Confidentiality of medical records;
- Applications for patents;
- Participation in selection committees and interview panels when friends are applicants;
- Sale of goods on PASB premises.

### ***Providing Training and Educational Opportunities***

8. In conjunction with the Area of Human Resources Management (HRM), EO developed and implemented an online course on the PASB Code of Ethical Principles and Conduct. Launched in March 2007 and administered to staff throughout the year, the course is based on 24 case studies and is offered in all four official languages of the Organization. Completion of the course is mandatory for all personnel working at the PASB, regardless of the type of their contract.

9. Despite a few technical difficulties experienced by staff in some country offices, EO has received very positive feedback on the course content and its case-based approach. A CD version is currently being developed for staff members who have experienced difficulty assessing or completing the course online due to slow connection speed. The availability of the course in CD format will better enable staff to undertake and complete the training program within a reasonable period of time.

10. Currently, the World Health Organization (WHO) and some other international organizations are considering adopting or modifying the PASB's ethics training program for their own use.

11. In addition, EO held briefing sessions on the Code of Ethical Principles and Conduct for all PASB personnel in Guyana, Honduras, and Venezuela, which included a full-day training session with focus group discussions on additional cases. Individual and group briefings were also provided throughout the year to new personnel at HQ.

### ***Conducting Investigations***

12. One of EO's principal functions is to conduct investigations into concerns about a particular situation or reports of alleged improprieties. EO's role in investigations is limited to findings of fact. In essence, EO determines whether there is any merit to an allegation or other information that has been received. Following an investigation, EO submits a report to the HRM Manager or Director of Administration for a decision.

13. In its reports, EO makes determinations of fact and arrives at conclusions but does not recommend any specific action in relation to the employee concerned. Again, this latter function is within the authority of the Human Resources Area, which decides what type of administrative or disciplinary action, if any, should be imposed. This separation of tasks ensures that the fact-finding and decision-making functions are handled by two different offices.

14. During the 2007-2008 reporting period, EO had 30 cases at various stages of investigation. Of these, nine cases have been closed, eight cases remain pending with management and 13 cases are being investigated. These cases were brought to EO's attention in the following ways:

- Via the Ethics Help Line: five cases, of which three of the informants opted to remain anonymous.
- By written communication: 11 cases
- Verbally (direct phone call or personal visit): 14 cases

15. A brief summary of some of the cases and their outcome follows.

#### *Use of "Dr." Designation*

16. It was reported that an employee was using the "Dr." title when that person did not possess a doctorate. EO's investigation ascertained that the information provided was correct, but that the person in question had been encouraged by the supervisor to use this designation after joining the Organization many years ago. The person concerned was counseled, ceased using this designation, and the case was closed.

#### *Dependency Status of Daughter*

17. The dependency status of an employee's daughter was brought into question as information was received that the employee was not the real father. An investigation ascertained that, according to available birth records, the employee in question was the actual father. The case was thus closed.

#### *Personal Relationship*

18. EO received information that a manager and subordinate employee were involved in an intimate relationship. This matter was investigated because this type of situation can create an uncomfortable work environment, a conflict of interest or the appearance of a conflict of interest. The existence of a close personal relationship was confirmed and a report was sent to management. The outcome of this case remains pending.

*Personal Relationship and Misuse of Resources*

19. EO received information that an employee was involved in a personal relationship with someone outside the Organization and was misusing PASB's resources to pursue the relationship. An investigation determined that the employee concerned did not use any of the Organization's funds or resources to pursue the relationship. The employee and complainant were informed accordingly, and the case was closed.

*Involvement in External Activities while at Work*

20. EO initiated an investigation of an employee who was allegedly using PASB time to carry out an external activity. The investigation found that the person concerned was indeed spending a disproportionate amount of time during normal business hours attending to the external activity. The outcome of this case remains pending with management.

*Abuse of Normal Working Hours*

21. It was reported that some staff are not respecting the normal working hours of the Organization and are not recording the proper amount of annual leave to reflect their absences. EO investigated the matter and determined that, while the staff concerned were putting in the required number of hours, there was a problem of punctuality and the timely reporting of leave in the Organization's leave tracking system. A report has been issued on this case and sent to management for consideration.

*Abuse of Sick Leave*

22. A manager reported suspicions regarding the falsification of sick leave certificates in the work unit, and an investigation has been initiated to determine whether the certificates are legitimate and whether there has been any abuse in the sick leave benefits available to staff.

*Absence from Office*

23. It was reported that a staff member submitted a medical certificate to cover an absence from the office, but did not visit the doctor and attended to a personal matter instead. This issue was looked into and it was ascertained that the person concerned did, in fact, visit the doctor on the day in question. This matter was thus closed.

*Acting Designation*

24. EO received a report that a temporary employee was signing correspondence as the substantive post holder, without using the “acting” designation. An investigation determined that this was, in fact, the case. The matter was referred to management for appropriate action.

*Manipulation of Financial Statements*

25. A former employee accused a supervisor of impropriety in manipulating the financial statements of the PASB and claimed that the PASB’s audit process lacked objectivity and independence. The matter was thoroughly investigated, and it was determined that the allegations were completely without merit. The ex-employee in question was informed accordingly, and the case was closed.

*Insider Information*

26. A contract was awarded to a particular company, and the amount of the winning bid was very close to the budgeted amount available for the contract. This led to suspicions that the company in question may have received privileged information from someone inside the Organization. This issue is presently being investigated.

*Contract Kickbacks*

27. Information was received that a contract was issued to a company without the proper competitive bidding process and that a PASB employee received a kickback for awarding the contract to the selected company. This matter is presently under investigation.

*Contract with Relative*

28. An employee proposed a relative’s company to carry out some work for the Organization. EO’s investigation ascertained that, while the employee did disclose the familial relationship, the disclosure was not made to the appropriate authorities who were better suited to determine whether the relative’s company could compete for the contract. The procurement action was nullified, the employee was counseled and the case was closed.

*Theft of Property*

29. The disappearance of computer equipment from an office was recently reported. Apparently, the same office has had several thefts over the course of the last year. EO will soon initiate an investigation into this report.

*Educational Qualifications*

30. EO initiated an investigation regarding the academic credentials of an employee. It determined that the employee did not possess the specific degree that was stipulated in the employment application form submitted at the time of joining the Organization. The outcome of this case is pending with management.

*Educational Qualifications and Taxi Receipts*

31. EO conducted an investigation regarding the academic credentials of an employee and the apparent falsification of taxi receipts. It concluded that the university degree purportedly possessed by the employee was false and that the same employee had submitted fraudulent taxi receipts while on duty travel. The employee concerned was dismissed from the Organization.

*Alteration of Invoice*

32. Suspicions were raised about the legitimacy of an invoice submitted by a company for payment. An investigation determined that the invoice had indeed been altered by the company, but at the behest of a PASB employee. While no evidence was uncovered of any personal financial benefit, the investigation revealed that the employee had funds remaining in the 2006 allotment and wanted to use this funding before it lapsed at the end of the year. As a result, the employee asked the company to alter the invoice to reflect that services would be performed in 2006, rather than in 2007 when the services were actually going to be provided. A report was sent to management, and the outcome of the case remains pending.

*Private Errands*

33. A manager reportedly asked staff to carry out private errands during normal business hours. EO's investigation determined that one employee in particular was indeed asked to carry out numerous personal errands for the manager, including obtaining coffee, going to the bank and post office and cleaning the manager's office. A report has been finalized and presented to management for consideration.

*Excess Travel*

34. It was reported that a staff member was engaging in excessive and unnecessary travel, sometimes for personal benefit. EO determined that, although the staff member in question did indeed travel frequently on mission, all of the travel was duly authorized by the supervisor. EO also carefully reviewed the staff member's travel claims and ascertained that there was no misuse of Organizational resources. This case was thus closed.

*Falsification of Home Leave Travel Claims*

35. EO received information that a staff member had received funds from the Organization for home leave travel but did not travel to the country of residence, which is a requirement for the payment of such travel. An investigation confirmed that the staff member did not travel to the recognized place of residence, but had submitted false receipts and travel claims to mislead the Organization and obtained an undue financial benefit. The employee was summarily dismissed and the Organization recovered the funds.

*Misappropriation of Funds*

36. Following an internal review, evidence was uncovered that an employee was embezzling funds from the Organization and manipulating official records to cover up the theft. In coordination with Internal Oversight Services (IOS), EO conducted a full investigation, which confirmed the existence of a scheme to sell items under the table to unsuspecting purchasers, to misappropriate the sale proceeds and then to manipulate the records to conceal the number of sales that were actually made. Action on this case is pending with management.

*False Signature*

37. EO received a report that the signature of a PASB employee had been forged in a funding agreement between PASB and another organization. This matter is currently under investigation.

*Diversion of Funds*

38. A report was made that funds received from extra-budgetary resources were not used in accordance with the terms delineated in the agreement with the donor but were used instead for other unrelated purposes in the Organization. This matter has been investigated, and a report will soon be issued.



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

39. A significant achievement under the direction of the EO was the implementation of the Organization's Integrity and Conflict Management System (ICMS) in October 2007. The ICMS incorporates all of the existing internal resources designed to handle integrity and conflict-resolution issues in a coherent system, to make them more accessible, effective and easily understood by personnel.

40. These resources include the Ombudsperson, the EO, the Legal Counsel's Office, the Information Security Office, Human Resources Management, the PAHO/AMRO Staff Association, the Office of Internal Oversight Services, the Grievance Panel (for cases of harassment) and the Board of Appeal.

41. Each of these resources has a specific role to play, and the ICMS provides relevant information about the mandate, scope of work, authority and decision-making ability, reporting relationships, accessibility, level of confidentiality, independence and accountability, and access to officials and records of each resource.

42. The ICMS has made it easier for personnel to identify the most appropriate resource to deal with a particular concern or problem. EO has established a dedicated website for the ICMS that offers detailed information on the system's operation and on the different institutional resources and policies available to deal with ethical issues and workplace concerns.

### **Trends, Recommendations and Future Actions**

43. At the beginning of 2008, EO introduced a coding system to better keep track of the number of cases and consultations it handles. EO now assigns each case or consultation a specific reference number that allows for better record keeping for statistical purposes, tracking and follow-up. The office has also started to classify cases to be in a better position to monitor trends, identify risks to the Organization and advise on corrective action.

44. To date, the consultations and queries EO has received have spanned a broad spectrum, and no distinct trends have been observed. Nonetheless, one concern expressed by several different employees relates to the safeguarding of confidential medical information, particularly following the introduction of a new form and policy for certified sick leave in October 2007. This is an issue that will be examined by EO in conjunction with PAHO's Health Unit. Another issue investigated more than once is the legitimacy of educational qualifications. HRM has been advised to look more closely into this issue to ensure that people working in or joining the Organization have the proper qualifications and skills.

45. Although EO does not recommend any specific action in relation to the employee(s) concerned following the conduct of an investigation, it does make recommendations of a general nature to improve organizational practices. Thus, based on its findings and conclusions during the investigative process, EO presented in its reports and other communications a series of specific recommendations designed to close loopholes, strengthen internal controls and minimize the risk of transgressions by other employees using the same tactics. Some of the noteworthy recommendations include:

- Preparing a list of authorized suppliers/vendors at the country level to ensure that invitations to tender are only sent to and received from legitimate companies;
- Instituting logs in all country offices to monitor the flow of visitors and improve security, and installing software to monitor telephone and computer usage;
- Barring Ministry personnel (except those normally assigned to PASB) from working on PASB property;
- Ensuring that personnel engaged on a temporary basis sign correspondence in a manner that reflects their acting status;
- Requiring employees to submit boarding passes as evidence that home leave and other statutory travel have actually been undertaken; and
- Making programming changes to the PALTEX Textbook Inventory Management System (TIMS) to prevent employees from altering inventory records.

46. EO's priority during the remainder of 2008 will be to complete a number of important institutional policies. The office has already developed a framework for a manual of investigative procedures, which will serve as a comprehensive guide for conducting investigations. EO will work with other units within the Organization to elaborate and finalize the manual in the coming months. The office will also work to update or establish new policies and guidelines in the areas of whistleblower protection, external employment, participation on advisory boards and committees, classification of confidential information and declaration of interests.

47. Finally, an important Organization-wide review relating to the administration of justice in PASB will soon be undertaken. The objective of this exercise will be to ensure that PASB personnel have access to a sound dispute-resolution process that allows their cases and concerns to be heard in a timely and objective manner. This review will be coordinated by EO and the Legal Counsel's Office and will involve the extensive participation of the ICMS resources, including the PAHO/AMRO Staff Association.

**Action by the Executive Committee**

48. The Executive Committee is invited to note this report and the work of the Ethics Office during the course of the last year.

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