



PAN AMERICAN HEALTH ORGANIZATION
WORLD HEALTH ORGANIZATION



152nd SESSION OF THE EXECUTIVE COMMITTEE

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15 May 2013

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ANNUAL REPORT OF THE ETHICS OFFICE (2012)

Introduction

1. The Ethics Office was established in May 2006 to foster ethical conduct in the Pan American Sanitary Bureau (PASB) by providing guidance and advice to personnel and by ensuring compliance with the principles of ethical behavior set out in the Pan American Health Organization's (PAHO) Code of Ethical Principles and Conduct. This report highlights the activities and achievements of the Ethics Office in 2012, including: (a) consultations that were received from PASB personnel; (b) allegations of misconduct that were received and investigated; (c) new policies and practices that were developed to prevent and resolve harassment in the workplace and to hold staff accountable for the loss or theft of PAHO property due to negligence; and (d) future actions that will be taken to further enhance the ethical culture in the Organization.

Reporting Period

2. This report covers the work carried out by the Ethics Office from 1 January 2012 to 31 December 2012.

Status and Role

3. PASB's Ethics Office is functionally independent and reports directly to PAHO's Governing Bodies through the Executive Committee. Except for routine administrative matters, the Office does not have a direct reporting relationship to anyone in the Organization.

4. The overarching mission of the Ethics Office is to safeguard the interests and reputation of the Organization and its staff, which is achieved in several different ways:

- (a) Personnel are required to be familiar with PAHO's Code of Ethical Principles and Conduct and are expected to apply its principles in their day-to-day activities, both inside and outside the office.

- (b) The Ethics Office is available to answer queries from personnel on a broad range of issues that might give rise to ethical concerns.
 - (c) The Ethics Office leads the development of new policies and initiatives in the area of ethics and compliance. Such work helps guide personnel in the right direction and delineates the boundaries of acceptable behavior in the Organization.
 - (d) The Ethics Office periodically carries out briefing and training activities to sensitize personnel on the applicable standards and guidelines of ethical behavior.
5. The other major responsibility of the Ethics Office is to conduct investigations into allegations of misconduct. This responsibility encompasses investigations into suspicions of fraud and corruption, misuse of position for personal benefit, harassment and other suspected ethical violations. In addition, the Ethics Office is responsible for investigating all cases of theft or loss of the Organization's assets and equipment.
6. An integral component of PASB's ethics program is the Help Line, which is administered by an outside vendor and overseen by the Ethics Office. This Help Line 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. It is available in PAHO's four official languages (English, French, Portuguese, and Spanish) and users can remain anonymous if they wish.
7. The Ethics Office also serves as the Coordinator of PASB's Integrity and Conflict Management System (ICMS) and as Secretary of the Standing Committee on Asset Protection and Loss Prevention (APLP).
8. The principal activities undertaken and results achieved in each of these areas in 2012 are highlighted below.

Advice and Guidance

9. PASB personnel may sometimes encounter situations where their responsibilities to the Organization and their private or personal interests may pose a conflict. In some situations, these dilemmas may not be clear cut, and personnel may be faced with a difficult decision as to the best course of action to take. Moreover, personnel need to bear in mind that the appearance of a conflict of interest could be as damaging as the existence of an actual conflict and they should therefore take the necessary steps to address the situation.
10. PASB personnel have different avenues to help resolve ethical dilemmas or concerns. First, they may consult the applicable policies for insight or guidance regarding the issue under consideration. Specifically, they may review PAHO's Code of Ethical Principles and Conduct, implemented in January 2006, and the International Civil Service Commission's Standards of Conduct for the International Civil Service. These documents

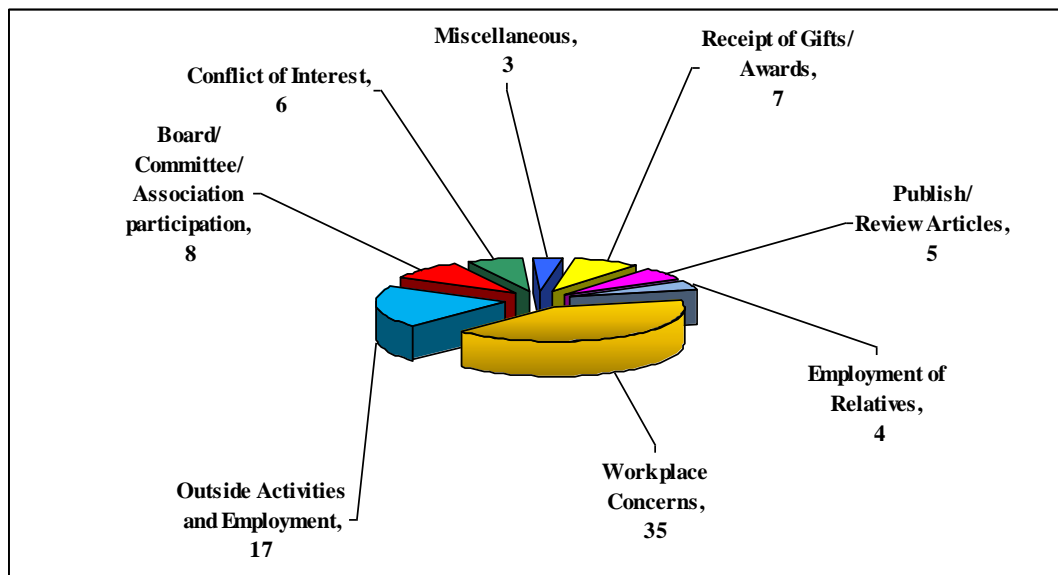
serve as important references to help guide staff in their day-to-day decisions and ensure that their actions support the Organization’s mission and demonstrate its values.

11. Second, PASB personnel may contact the Ethics Office directly for advice on how to deal with a particular situation. The advice given by the Ethics Office is independent of management and, in most situations, is binding on the individual concerned. This serves to protect both the Organization and the individual and helps to ensure a consistent approach in handling queries of an ethical nature.

12. Third, PASB also provides an option for personnel to ask a question or submit a consultation through the Ethics Help Line. This option is particularly useful for staff who prefer to submit their queries anonymously.

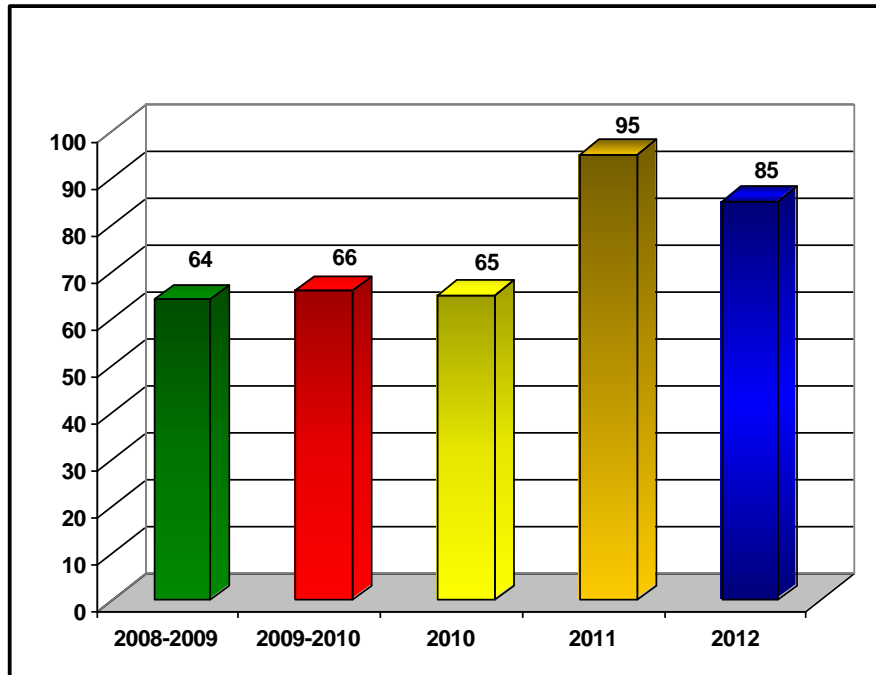
13. In 2012, the Ethics Office responded to 85 consultations from staff on a variety of topics. The consultations received in 2012, by type of consultation, are illustrated in Figure 1.

Figure 1: Consultations from PASB Staff, by Type of Consultation, 2012 Calendar Year



14. The number of consultations received in 2012 represents a slight decrease compared with 2011, as shown in Figure 2 below.

Figure 2: Consultations Received by Reporting Period, 2008–2012



15. The majority of consultations received by the Ethics Office in 2012 related to general workplace concerns. These involved diverse subjects; examples include: a staff member being asked to perform personal favors while at the office; a staff member leaving work early and then returning to work overtime; a manager who was undermining the work of a unit; the legitimacy of a selection process; the spreading of damaging rumors in the workplace; mistreatment by a manager; personal relationships in the office; and the employment of relatives, among other issues.

16. The Ethics Office received 17 requests in 2012 from PASB personnel to engage in paid or unpaid employment outside the Organization. In considering requests of this nature, the Ethics Office examines the person's visa status and, in consultation with the person's supervisor, determines if the outside employment presents a conflict of interest with the work of the Organization, either in terms of time or responsibility. In most cases, the Ethics Office did not find that a conflict existed and allowed the outside employment to proceed. In one particular case, the Ethics Office determined that there was a conflict in terms of time since the individual concerned had another full-time job and also a part-time job outside of PASB. As a result, the individual was instructed to reduce the outside workload to a more manageable level.

17. In addition, the Ethics Office received eight requests from PASB personnel to be a board member of an outside organization or association. When considering requests of this nature, the Ethics Office again ensures that the person's participation would not create a conflict of interest with the mandate or work of the Organization. Thus, for example, the Office did not authorize a staff member to participate on a national commission, as it was felt that such participation might compromise the independence of the Organization vis-à-vis the national authorities and could lead to a possible conflict of interest.

18. The Ethics Office received seven consultations related to gifts from suppliers or vendors. In this area, 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." Based on these criteria, the Ethics Office determined, for example, that a wall clock costing US\$ 550¹ should be returned to the hotel that provided it. In other cases, the Ethics Office allowed the gifts to be retained since they were considered as promotional items of minimal value.

19. Six queries were classified as potential conflicts of interest and included requests relating to relatives serving on panels or attending meetings organized by PAHO, accepting funding from an organization that was having ethical problems, and consultants having overlapping assignments with other organizations.

20. Four queries were received about the possible employment of relatives of serving PASB personnel. Like many other international organizations, PASB's policy regarding the hiring of relatives is relatively strict in order to avoid nepotism or the appearance of nepotism. As a result, relatives cannot normally be employed in PASB unless a competitive selection process has taken place and no other suitable candidate is available.

21. Finally, five queries were submitted concerning the publishing of articles outside the Organization.

Briefing and Training Opportunities

22. The Ethics Office continued to provide briefing sessions on the Code of Ethical Principles and Conduct and on PAHO's Integrity and Conflict Management System (ICMS) to various groups of staff in 2012. Specifically, group briefings were provided to:

- (a) All personnel in BIREME and in the PAHO Representative Offices in Brazil and Paraguay.
- (b) New Administrators in PAHO/WHO Representative Offices in Bolivia, Chile, Paraguay and Venezuela.

¹ Unless otherwise indicated, all monetary figures in this report are expressed in United States dollars.

- (c) All personnel in the Sustainable Development and Environmental Health (SDE) Area at PAHO Headquarters.

Investigations

23. The other principal role of the Ethics Office is conducting investigations into allegations of misconduct and suspected violations of PAHO's Code of Ethical Principles and Conduct. The subject matter of these investigations is diverse and encompasses theft, fraud and corruption, discrimination, harassment, retaliation, misuse of time, resources or computer systems and other suspected workplace transgressions.

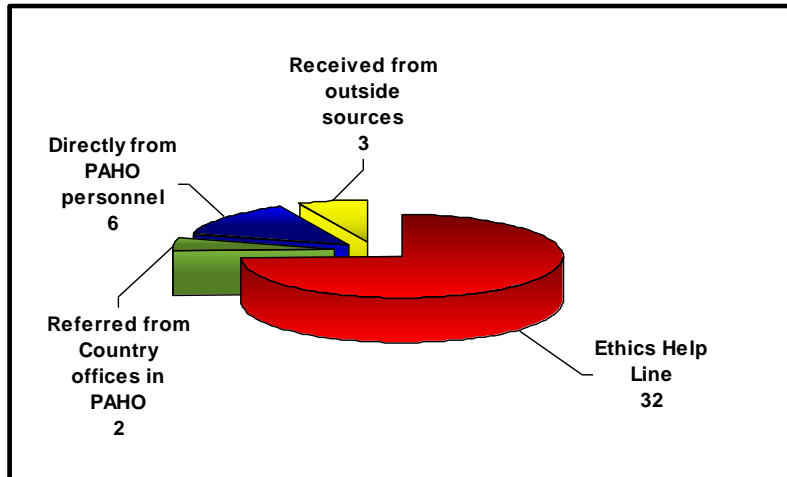
24. The Ethics Office has a defined role when carrying out investigations; its responsibility is limited to determining the facts through an impartial and independent investigation. These investigations, which are strictly administrative in nature, are intended to uncover the facts and provide the reviewing authorities or decision-maker with sufficient information to determine whether wrongdoing has occurred.

25. Upon receipt of an allegation of misconduct, the Ethics Office first determines if the issue falls within its mandate. If so, the Office examines the information provided and determines how to proceed. In some instances, the Office will simply close the case if there is no evidence that PASB personnel are involved in the alleged act or if the information provided is insufficient to take any further action. In other instances where the reported issue does not raise a serious ethical concern, the Office may meet with the individual concerned and provide guidance or direction to resolve the issue in question. In cases where the nature of the act warranted an investigation, the Ethics Office may conclude that an allegation is not supported by the facts; that there is insufficient evidence to substantiate the allegation; or that the allegation is supported by the available evidence and is more probable than not to have occurred.

26. Investigation reports are sent to the Area of Human Resources Management for a decision regarding the possible imposition of administrative or disciplinary action. This ensures a proper separation of functions between the fact-finder and the decision-maker.

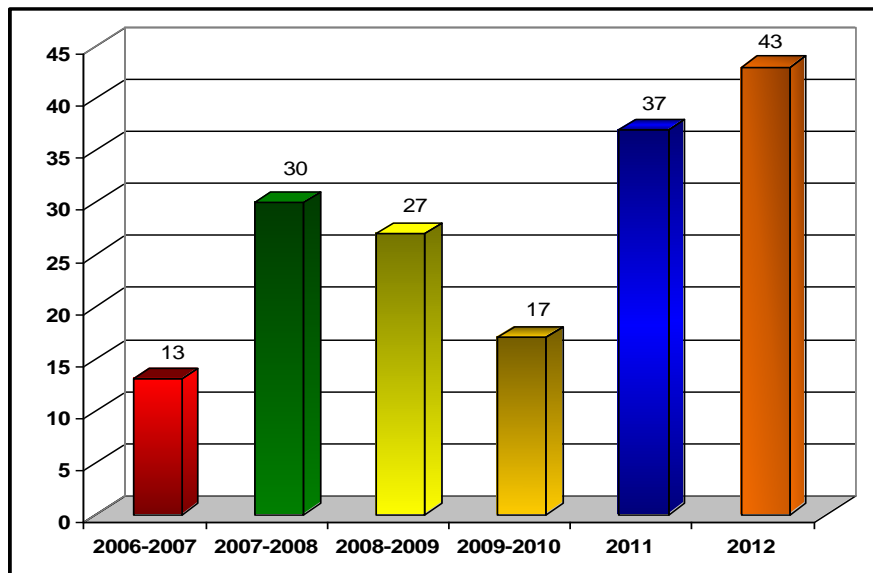
27. During the 2012 calendar year, the Ethics Office received 43 reports about behavior that raised possible ethical concerns. As depicted in Figure 3 below, 32 of these reports were submitted through the Ethics Help Line. Of these 32 reports, 29 were submitted anonymously. Thus, unlike in previous years, the vast majority of reports submitted in 2012 through the Help Line were anonymous.

Figure 3: Reports about Behavior that Raised Ethical Concerns by Channel how the Ethics Office Received the Information, 2012.



28. Figure 4 shows the number of reports on ethical concerns received from 2006 to 2012. While there was an overall increase in the number of reports received in 2012 in comparison with previous years, a number of reports that were received in 2012 related to the same subject. Thus, while the total number of reports in 2012 appears to be higher than in previous years, the fact that multiple reports were sometimes received on the same issues signifies that the number of new cases received in 2012 was actually less than in previous years.

Figure 4: Number of Reports on Ethical Concerns Received by the Ethics Office, 2006 to 2012.



29. In 2012, the Ethics Office completed its review of the following issues that were brought to its attention and submitted investigation reports when warranted:

- (a) an alleged improper relationship between a supervisor and a subordinate;
- (b) a staff member who was allegedly harassing a colleague in the same work unit;
- (c) a staff member who was reportedly carrying out personal business and watching movies while at work;
- (d) the appointment of an individual who was reportedly involved in a personal relationship with a relative of a serving staff member;
- (e) the alleged unauthorized involvement of a staff member in the election process;
- (f) a report that people were allegedly selling vaccines on the black market;
- (g) three formal complaints of harassment against supervisors;
- (h) a staff member who was allegedly taking inappropriate pictures of women in the office and viewing pornographic material on an office computer;
- (i) alleged plagiarism in a publication submitted to an external entity;
- (j) a staff member who was reportedly negligent in failing to back up an office computer, resulting in a loss of files and programs.

30. The Ethics Office also is looking into the following issues, which were reported in 2012 but have not yet been finalized:

- (a) two staff members who are reportedly being given preferential treatment by their managers;
- (b) two staff members who are allegedly using the “Dr.” designation without a proper basis;
- (c) four formal complaints of harassment against different supervisors;
- (d) two reports of staff members who often travel on mission without any apparent justification;
- (e) a staff member whose contract was allegedly unjustifiably terminated;
- (f) a staff member who received overtime pay despite apparently not working any extra hours;
- (g) the hiring of consultants who are reportedly friends of the hiring manager;
- (h) staff traveling on mission to attend meetings without any apparent justification;
- (i) a supervisor who is misusing the official time by arriving at work late and leaving early;

- (j) the alleged contracting of a friend to carry out a project;
- (k) the hiring of a retiree without any apparent basis; and
- (l) a project that was reportedly removed without authorization from a PAHO office and transferred to an outside entity.

31. Based on the outcome of the investigations that were completed in 2012, one person was summarily dismissed from the Organization for serious misconduct.

PAHO's Integrity and Conflict Management System

32. The Ethics Office 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.

33. The ICMS members² met on 10 separate occasions in 2012, and the meetings pertained primarily to the development of a revised policy on the prevention and resolution of harassment in the workplace.

34. PAHO has had a formal policy on the prevention and resolution of harassment in the workplace since 2004. As part of the Organization's ongoing efforts to provide a respectful workplace for its personnel, the Ethics Office spearheaded the development of a revised policy on the prevention and resolution of harassment in the workplace, which culminated in the issuance of a more progressive policy in September 2012.

35. The principal highlights of this revised policy are as follows:

- (a) The types of behavior that might constitute harassment were expanded beyond personal and sexual harassment to include bullying, abuse of authority and a hostile work environment.
- (b) As in other types of allegations of misconduct, the Ethics Office became the intake point for all formal allegations of harassment.
- (c) A new *Workplace Harassment Reporting Form* was developed to facilitate the reporting of formal allegations of harassment.
- (d) Since not all inappropriate behavior necessarily amounts to misconduct, the measures to address such behavior were expanded to include counseling, coaching and/or training, a verbal or written warning and a written apology.

² The ICMS members are 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 Staff Association

36. As noted in last year's report, a new external Chair for PAHO's Board of Appeal was selected in November 2011. Mr. Victor Rodriguez, former Registrar of the United Nations Dispute Tribunal in Geneva, became the first person from outside the Organization to assume this important institutional role. Mr. Rodriguez began his work in February 2012, and the newly-constituted Board of Appeal considered a number of outstanding appeal cases during the year.

37. Under the direction of the Chair of the Board of Appeal and with the involvement of the Ethics Office as Coordinator of PAHO's Integrity and Conflict Management System, new rules of procedure for the Board of Appeal were drafted in 2012 and will be issued in 2013 following the completion of an internal review process.

Standing Committee on Asset Protection and Loss Prevention

38. The Ethics Office also serves as a member and as the Secretary of the Standing Committee on Asset Protection and Loss Prevention (APLP), which was established in May 2009.³ The mandate of this Committee is to help prevent the loss, misappropriation, or theft of PAHO resources by ensuring that risks of a financial nature are effectively identified and managed. This mandate also helps to ensure that all known cases of this nature are properly reported, investigated and resolved.

39. The APLP deals with cases of misconduct involving PASB personnel, but only when there is a direct financial loss to the Organization.

40. In its capacity as Secretary of the APLP, the Ethics Office serves as the focal point for all thefts and losses that occur in the Organization. Consequently, all losses or thefts of PAHO property, assets or equipment must be reported directly to the Ethics Office.

41. After examining the thefts and losses from previous years, the APLP concluded that some of these could have been avoided if the individuals concerned had exercised a reasonable degree of care and due diligence to protect the Organization's property and assets from loss and theft. As a result, the APLP decided to institute a policy to hold staff accountable for replacing or repairing any equipment that is lost, stolen, damaged or destroyed due to negligence or willful misconduct.

42. The Ethics Office led the development of this new policy, which resulted in the implementation of an *Asset Accountability Policy* in July 2012. Under this policy, PAHO personnel may now be required to reimburse the Organization for the cost of the asset if

³ The chairperson of the Standing Committee on Asset Protection and Loss Prevention (APLP) is the Director of Administration; the Committee members are the Legal Counsel, the Auditor-General of Internal Oversight and Evaluation Services, the Manager of Financial Reporting and Management, the Information Security Officer, and the Ethics Program Manager, who also serves as APLP Secretary.

reasonable measures are not taken to protect PAHO's property and equipment from loss or theft.

43. In 2012, the Ethics Office received 21 reports involving the theft or loss of PAHO resources and equipment or the fraudulent misuse of PAHO corporate or travel credit cards by non-cardholders. No reports were received in 2012 about any fraud or corruption involving PASB personnel.

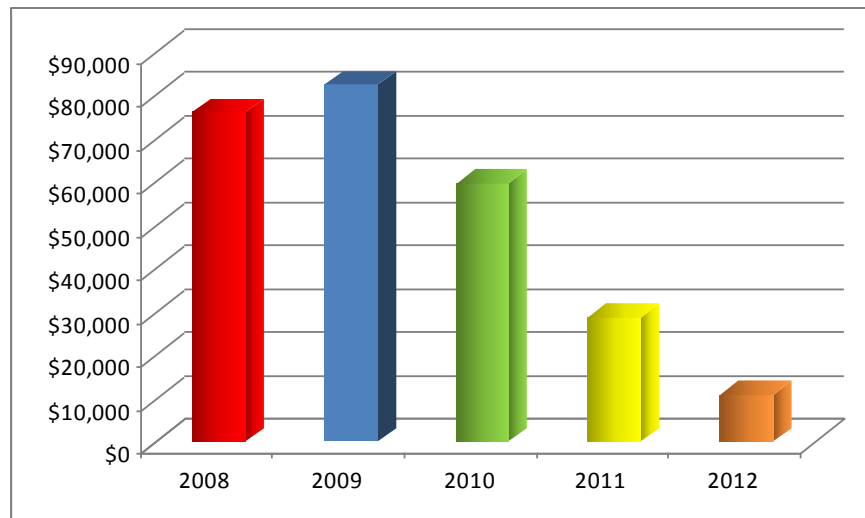
44. The reports of thefts and losses and misuse of PAHO corporate or travel credit cards by non-cardholders in 2012, which were included in the Director's 2012 Financial Report, were as follows:

- (a) One report in one country office of two safes were broken into, resulting in the theft of \$182 in cash and the destruction of the two safes, valued at \$1,651.
- (b) Sixteen reports involving the theft or loss of laptop computers, smart phones, radios and other equipment, totaling \$9,135.
- (c) Three reports regarding the fraudulent use of PAHO purchasing or travel credit cards by non-cardholders outside the Organization. The unauthorized charges were reimbursed in full by PAHO's financial institutions, resulting in no loss to the Organization.
- (d) One report concerning the attempted misuse of checks.

45. The Ethics Office looked into three of these cases involving laptop computers and concluded that a staff member was negligent in one case for leaving a PAHO laptop unattended in a conference room at a hotel where it was stolen. In this case, the staff member concerned was required to make a partial reimbursement for the cost of the laptop. In the other two cases, the Ethics Office determined that the theft of the laptops was beyond the staff members' control. As a result, no personal liability accrued in these two other cases.

46. Figure 5 shows the annual amount of reports concerning fraud, theft, and loss of assets from 2008 to 2012.

**Figure 5: Amount of Fraud, Theft and Loss
by year, 2008 to 2012**



Other Activities

47. In 2012, the Ethics Office became an independent entity in PAHO's American Planning, Programming, Monitoring and Evaluation System (AMPES) system, with its own separate budget and greater autonomy to expend its own funds and enter into contracts.

48. The Ethics Office issued a General Information Bulletin in July 2012 about the election of PASB's new Director, advising personnel to remain neutral and objective during the election process and not to engage in campaign activities on behalf of any candidate, including fundraising, promoting a particular candidate with government officials, hosting social events or engaging in any other activity associated with the election process that is not related to their official duties in PAHO. Personnel were also advised that only articles or notices published or endorsed by the Area of Knowledge Management and Communications (KMC) could be posted on official PAHO websites.

Future Actions

49. In July 2012, PASB's Procurement Office reissued, on behalf of the Ethics Office, a Request for Proposal (RFP) to six companies inviting them to submit proposals to: (a) review and redesign PAHO's Code of Ethical Principles and Conduct; (b) implement a climate survey; (c) prepare a customized training program based on the revised Code and provide off-the-shelf training programs; and (d) automate the different forms and processes in the Ethics Office. Four proposals were received, and a vendor is being selected to carry out these activities, which will be implemented in 2013.

50. Last year's report noted that the Ethics Office developed a new declaration of interest questionnaire, which contains a number of distinct sections ranging from the employment of relatives to outside employment and activities, with a specific focus on areas that could pose a direct conflict of interest with the mandate and work of the Organization. This declaration of interest form still needs to be automated, after which time it will be launched electronically to selected staff in the Organization.

51. The Ethics Office also intends to issue a series of leaflets to provide information and guidance to PASB personnel on various topics. In 2012, the Office began the elaboration of a leaflet on "Zero Tolerance for Fraud and Corruption," which will be issued in 2013. In addition, based on a recommendation from PAHO's Audit Committee, it will develop a series of similar leaflets in other areas, such as conflicts of interest, outside employment and activities and gifts and hospitality.

Action by the Executive Committee

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



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

CE152/7 (Eng.)
Annex

ANALYTICAL FORM TO LINK AGENDA ITEM WITH ORGANIZATIONAL MANDATES

1. Agenda item: 3.4: Annual Report of the Ethics Office (2012)

2. Responsible unit: Ethics Office

3. Preparing officer: Philip MacMillan

4. List of collaborating centers and national institutions linked to this Agenda item:

Not applicable.

5. Link between Agenda item and Health Agenda for the Americas 2008-2017:

Not applicable.

6. Link between Agenda item and Strategic Plan 2008-2012:

Strategic Objective 16 and RER 16.3 concerning policies and practices that promote, inter alia, ethical behavior of personnel in the Organization. Indicator 16.3.6 is directly referable to the work of the Ethics Office to gauge the number of queries that are received from personnel and to assess the overall level of awareness of ethical behavior.

7. Best practices in this area and examples from countries within the Region of the Americas:

Not applicable.

8. Financial implications of Agenda this item:

The Ethics Office will be submitting a request for funds to implement the activities outlined in the section of Future Actions on this Report.