



PAN AMERICAN HEALTH ORGANIZATION
WORLD HEALTH ORGANIZATION



150th SESSION OF THE EXECUTIVE COMMITTEE

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Provisional Agenda Item 3.4

CE150/7 (Eng.)

7 May 2012

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ANNUAL REPORT OF THE ETHICS OFFICE, 2011

Executive Summary

1. The Ethics Office was established in May 2006 to secure the highest standards of integrity and to promote a culture of ethics and accountability in the Pan American Health Organization (PAHO). This report highlights the activities and achievements of the Ethics Office in 2011, including: (a) the consultations that were received from PAHO personnel; (b) the allegations of misconduct that were received and investigated; (c) the new policies and practices that were developed to improve the objectivity, efficiency, and professionalism of PAHO's administration of justice system; and (d) the future actions that will be taken to further improve the ethical culture in the Organization.

Reporting Period

2. This report covers the work carried out by the Ethics Office from 1 January 2011 to 31 December 2011.

Status and Role

3. PAHO's Ethics Office is one of the only ethics offices among international organizations that is functionally independent. Unlike in most other organizations, it does not report to the head of the agency or to human resources. Rather, it reports directly to PAHO's Governing Bodies through the Executive Committee. To maintain a proper separation of functions, administrative matters, including the clearance of travel authorizations and approval of annual leave, are handled by the Deputy Director's office.

4. The core function of the Ethics Office's is to provide advice and guidance to staff on ethical issues and ensure compliance with PAHO's Code of Ethical Principles and Conduct. As part of this advisory function, the Ethics Office helps shape the Organization's ethical culture by increasing awareness of ethics-related issues and by

proposing selected policies and procedures in the area of ethics and compliance, internal justice, and fraud prevention.

5. The Ethics Office also conducts internal investigations into allegations of wrongdoing and suspected ethical violations. In 2011, the Ethics Office also assumed responsibility for carrying out investigations into allegations of harassment. In addition, it continues to serve as the Organization's focal point for all cases of theft or loss of assets and equipment, looking into these types of incidents whenever necessary.

6. The Ethics Office also oversees the Ethics Help Line, which allows staff members to ask questions on ethical issues or to report allegations of misconduct. Staff can access the Help Line from any country in the Region through a dedicated website or by toll-free telephone. It is available in PAHO's four official languages (English, Spanish, Portuguese, and French) and staff members can remain anonymous if they wish.

7. The Ethics Office also serves as the Coordinator of PAHO'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 2011 are highlighted below.

Advice and Guidance

9. Notwithstanding its numerous responsibilities, the Ethics Office considers that its single most important function is providing guidance and advice to staff. Managers and staff members alike are encouraged to contact the Ethics Office to obtain confidential and independent advice on any issue that might have ethical consequences. A number of different avenues are available to staff to solicit advice, including through the Ethics Help Line, for staff who prefer to submit their queries anonymously.

10. The advice and opinions provided by the Ethics Office are independent of management and are intended to protect the interests and reputation of the Organization as well as those of the individual concerned. The philosophy of the Ethics Office when providing advice is to be open-minded and, within the confines of the Organization's ethical framework and guidelines, to allow PAHO personnel, as far as practicable, to engage in the solicited activity or action.

11. By providing clear and specific advice, the Ethics Office helps staff carry out their work professionally and diligently and manage their outside activities and private lives in a manner that does not interfere with their official duties. Staff members who obtain advice from the Ethics Office are protected from any adverse action, provided they

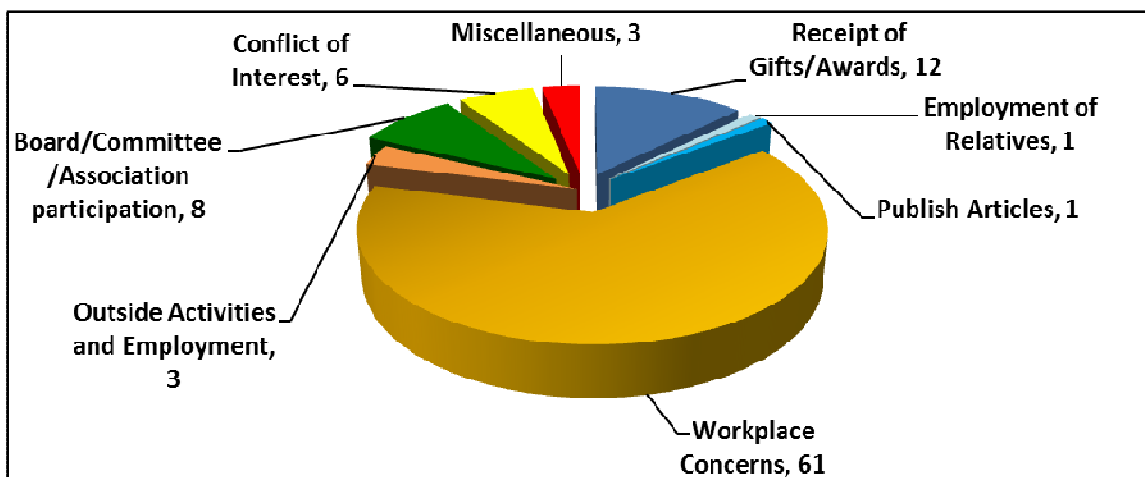
accurately disclose all material facts and information, act in good faith and comply with the advice given.

12. PAHO's Code of Ethical Principles and Conduct, implemented in January 2006, contains four main sections: (i) Safeguarding PAHO's Principles and Values; (ii) PAHO's Ethical Framework; (iii) Creating a Culture of Compliance and Prevention; and (iv) PAHO's Standards of Conduct. The Code serves as the principal reference document for PAHO personnel and helps guide staff in their day-to-day decisions to ensure that their actions support the Organization's mission and demonstrate its values.

13. In addition to providing general direction and guidance, the Code sets out a number of areas where personnel must obtain the prior authorization of the Ethics Office before engaging in a specific activity. These activities include accepting a gift or award, engaging in external employment or participating in a professional association, board or committee. In these situations, the staff member is obliged to follow the advice of the Ethics Office and is not permitted to undertake the activity if a determination is made that it may pose a conflict of interest.

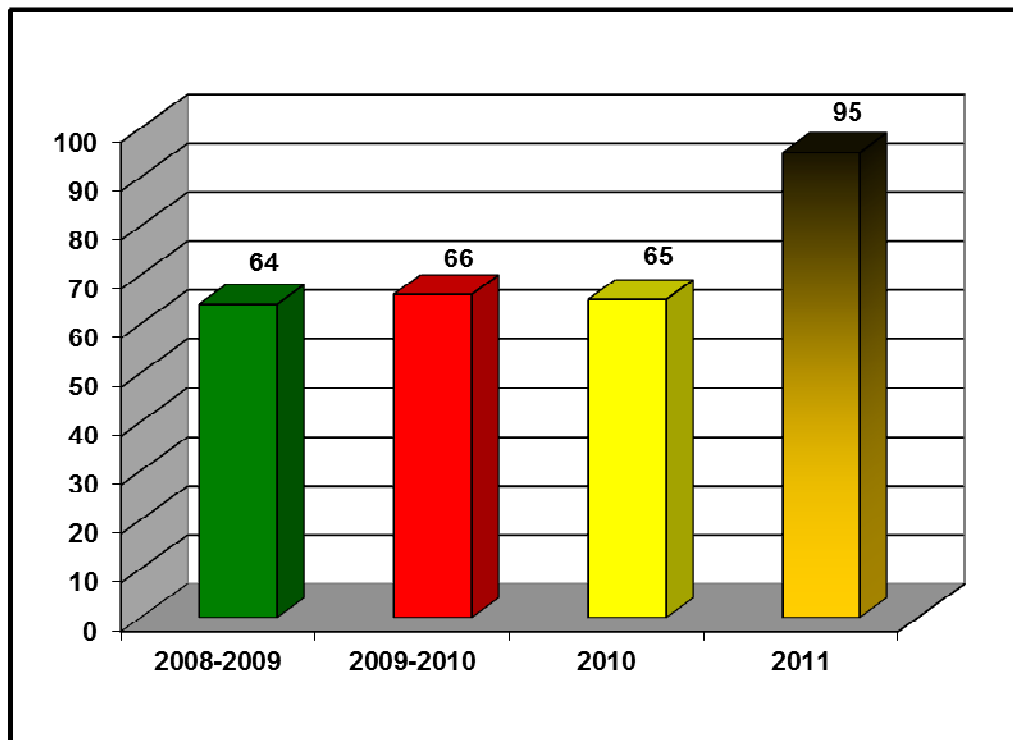
14. In 2011, the Ethics Office responded to 95 consultations from staff, including eight submitted through the Ethics Help Line. A number of these consultations related to specific requirements outlined in the Code, while others were more general in nature. The consultations received in 2011, by type of consultation, are illustrated in Figure 1.

Figure 1: Consultations from PAHO staff, by type of consultation, 2011 calendar year.



15. The number of consultations received in 2011 represent a nearly 50% increase compared with the number of consultations received in previous years, as shown in Figure 2.

Figure 2: Consultations received, by reporting period, 2008–2011.



Briefing and Training Opportunities

16. 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 2011. Specifically, group briefings were provided to:

- New PAHO/WHO Country Representatives for Belize, Haiti, Jamaica, Peru and Suriname.
- New Administrators for PAHO/WHO Representative Office (PWR) Dominican Republic, PWR Mexico, Pan American Foot and Mouth Disease Center (PANAFTOSA), and Health Systems based on Primary Health Care (HSS/HQ).
- Human Resources focal points for PWR Colombia and PWR Haiti.
- All personnel in PWR Brazil, PWR Chile, and PWR Nicaragua during missions to those country offices.

17. New staff joining the Organization are still required to complete the online case-based training course on PAHO's Code of Ethical Principles and Conduct that was developed in 2007. This course has proven to be an effective training instrument, and both the World Health Organization and the International Monetary Fund are adapting PAHO's course and using the same platform for their own training purposes.

Investigations

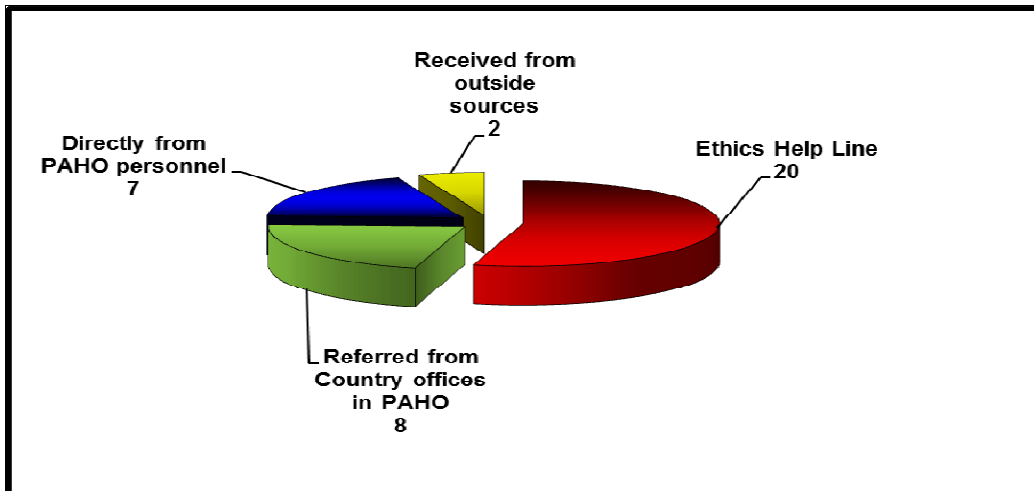
18. Although the principal role of the Ethics Office is to guide PAHO personnel in the right direction, it has also has a mandate to carry out investigations into allegations of misconduct. These investigations cover a wide range of issues, from relatively minor instances of wrongdoing to more egregious cases where serious misconduct is alleged. In February 2011, the Ethics Office was also assigned the responsibility for conducting investigations into allegations of harassment, which were previously handled by the Grievance Panel or by an external investigator.

19. Investigations into allegations of wrongdoing are purely administrative in nature and are intended to provide the reviewing authorities or decision-maker with sufficient information to determine whether wrongdoing has occurred. To ensure a proper separation of functions, the Ethics Office does not make any recommendations or decisions regarding administrative or disciplinary action following the outcome of an investigation. Rather, its role is simply to ascertain the facts and to determine whether a violation of the Organization's standards of conduct has occurred.

20. At PAHO, decisions regarding the possible imposition of administrative or disciplinary action following the conduct of an investigation are made by the Area of Human Resources Management (HRM). When investigations relate to administrative issues, reports are also submitted to the Director of Administration for consideration.

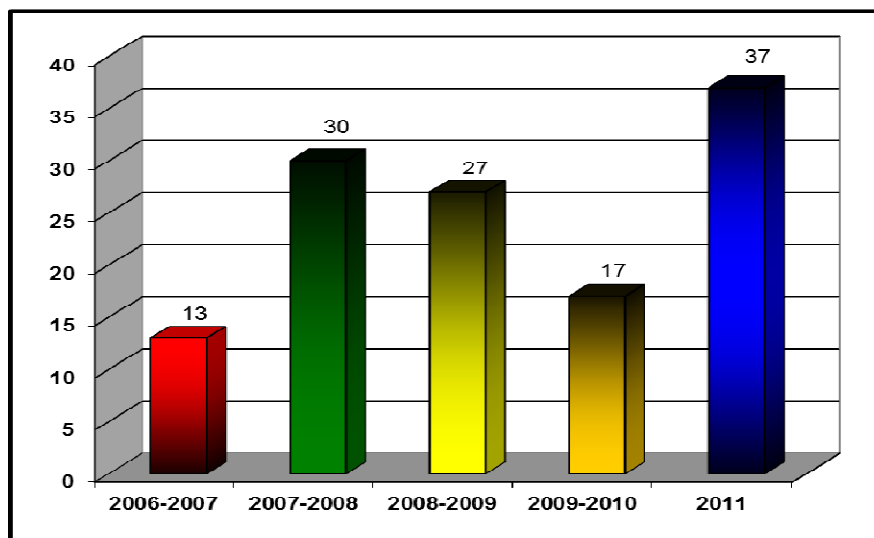
21. During the 2011 calendar year, the Ethics Office received 37 reports about behavior that raised possible ethical concerns. The breakdown of how the Ethics Office received information about an issue or allegation is shown in Figure 3.

Figure 3: Reports about behavior that raised ethical concerns, by how the Ethics Office received the information, 2011.



22. Figure 4 shows the number of reports on ethical concerns received from 2006 to 2011. As can be noted, there was a significant increase in the number of reports received in 2011 in comparison with previous years.

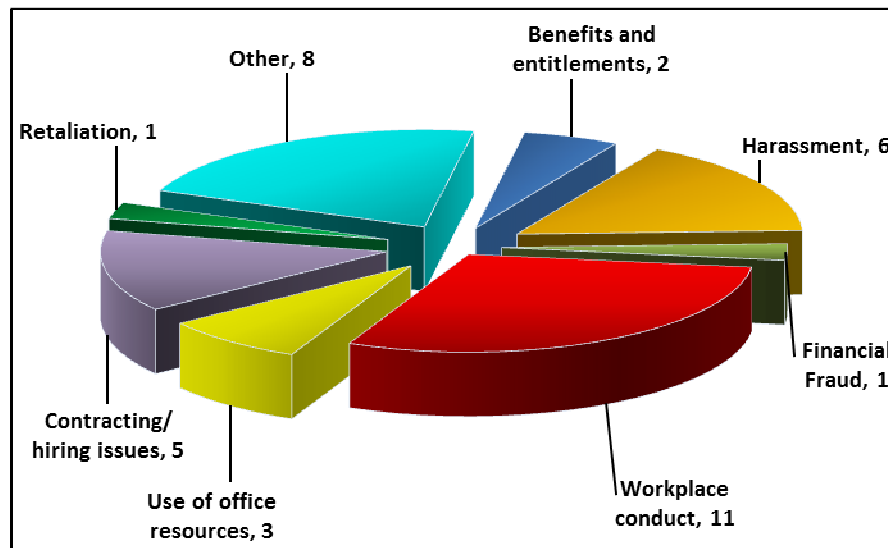
Figure 4: Number of reports on ethical concerns received by the Ethics Office, 2006 to 2011.



23. In 2011, the Ethics Office received 20 reports through the Ethics Help Line, representing a 100% increase from the previous reporting period (when 10 reports were received via the Help Line). Of these 20 reports, 13 were submitted anonymously.

24. Figure 5 depicts the types of reports that were submitted to the Ethics Office, by category, in 2011.

Figure 5: Reports on ethical concerns received by the Ethics Office in 2011, by category.



25. Below is a brief overview of the 37 reports received by the Ethics Office in 2011, as well as their status.

Cases Closed

26. In 2011, the Ethics Office received reports on the following issues and conducted investigations when warranted:

- (a) A consultant who reportedly treated women with disrespect and used bad language in the office.
- (b) A staff member who allegedly made long-distance personal telephone calls using a PAHO calling code.
- (c) A staff member who allegedly owned and operated a computer business without disclosing this outside activity to PAHO.
- (d) A staff member who obtained an assignment for a person with whom the staff member was allegedly involved in a close personal relationship without disclosing this relationship to anyone in the Organization.
- (e) A staff member who reportedly sent unwelcome articles with sexual overtones to another staff member.

- (f) A staff member who allegedly falsified legal documents in a private matter involving someone from outside the Organization.
- (g) A manager whose behavior was reportedly unethical in the office.
- (h) A staff member who allegedly committed sexual harassment in the office.
- (i) Three reports of managers who allegedly harassed their subordinates.
- (j) Alleged irregularities involving the contracting of a short-term staff member.
- (k) A staff member who allegedly took inappropriate pictures of female personnel in the office.
- (l) Defamatory comments that were allegedly made against a staff member.
- (m) A staff member who purportedly spent an excessive amount of time talking on the telephone during normal working hours.
- (n) A staff member who was reportedly using the PAHO diplomatic pouch to send items of a personal nature.
- (o) A staff member who was allegedly promoted without possessing the necessary qualifications.
- (p) A manager who was reportedly treating subordinates with disrespect.
- (q) A report about the alleged lack of proper management in an office.
- (r) A consultant who allegedly entered into contracts with fictitious vendors.
- (s) A staff member who purportedly disrupted the Organization's operations.

Pending Cases

27. The Ethics Office also is looking into the following issues, which were reported in 2011 but have not yet been finalized:

- (a) A contract that was apparently awarded to a company where a relative of a staff member worked.
- (b) Purported damage to a staff member's professional reputation due to an unfavorable memorandum.
- (c) A staff member who entered the Organization without disclosing that a previous job with an outside employer was terminated due to alleged fraud.
- (d) A staff member who was reportedly engaged in an activity outside the Organization without making an appropriate disclosure.
- (e) An alleged irregularity in a contract.
- (f) A staff member who was apparently provided with a complimentary hotel room while on official travel.
- (g) A staff member who allegedly falsified some work-related reports.

- (h) A staff member who is allegedly consuming alcohol while at work.
- (i) A staff member who allegedly misused travel entitlements.
- (j) A staff member whose university degree was purportedly obtained under false pretenses.
- (k) A staff member whose appointment was allegedly terminated as a retaliatory measure.
- (l) The alleged diversion of grant funds for other purposes.
- (m) The alleged improper hiring of a staff member with questionable qualifications.
- (n) The purported misbehavior of a staff member in an office.
- (o) Alleged mismanagement by a supervisor.
- (p) A person who allegedly travelled on mission to PAHO/HQ without proper justification.

28. Upon receipt of a report, the Ethics Office first determines if the issue falls within its mandate. If so, it determines if there is sufficient information to proceed with a preliminary inquiry and then to a full investigation.

29. In certain cases where investigations were carried out, the Ethics Office concluded that the allegation was not supported by the facts or that there was insufficient evidence to substantiate the allegation. In other cases involving minor ethical lapses, the Ethics Office dealt directly with the person or office concerned. In more serious cases, full investigation reports were sent to the Area of Human Resources Management for consideration.

30. Based on the outcome of the investigations that were completed in 2011, one person was terminated from the Organization for serious misconduct and another staff member was transferred and demoted. In addition, one person, whose temporary contract ended, will not be rehired in the future. Decisions in two other cases remain pending.

PAHO's Integrity and Conflict Management System

31. 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.

32. The ICMS members¹ met on 10 occasions in 2011. As in the previous year, the meetings mostly focused on the ongoing review of the Administration of Justice System in PAHO.

Review of the Administration of Justice System

33. Last year's report noted that after extensive discussions within the ICMS, the Director approved the following changes to PAHO's Administration of Justice System:

- Establishing an informal request-for-reconsideration process whereby personnel may ask the Area of Human Resources Management (HRM) to review a decision or action that has adversely affected their terms and conditions of service, without having to resort to the more formal and legalistic appeal process. The framework for this new process was developed in 2011, but the process itself will be implemented in 2012 due to extensive discussions that continued to take place at the ICMS throughout the year.
- Assigning the investigative function for allegations of harassment to the Ethics Office. This action was instituted in February 2011.
- Contracting a person from outside the Organization with professional expertise in conflict resolution to serve as chairperson of PAHO's Board of Appeal. As Coordinator of PAHO's Integrity and Conflict Management System, the Ethics Office managed the entire selection process for the external chair, culminating in the selection in November 2011 of the former Registrar of the United Nations Dispute Tribunal in Geneva.

34. In 2011, the ICMS continued to have extensive discussions on the Administration of Justice System in PAHO, with particular emphasis on the development of a revised policy on the prevention and resolution of harassment in the workplace. An updated policy, which will include a broader categorization of the different types of harassment and contribute to a more timely resolution of cases, will be introduced in 2012.

Standing Committee on Asset Protection and Loss Prevention

35. 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 2009.² The mandate of this committee is to help prevent the loss, misappropriation,

¹ 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.

² 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

or theft of PAHO resources by ensuring that risks of a financial nature are effectively identified and managed and that all known cases of this nature are properly reported, investigated, and resolved.

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

37. 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.

38. In 2011, the Ethics Office received 22 reports involving fraud or attempted fraud and the theft or loss of PAHO resources and equipment, as follows:

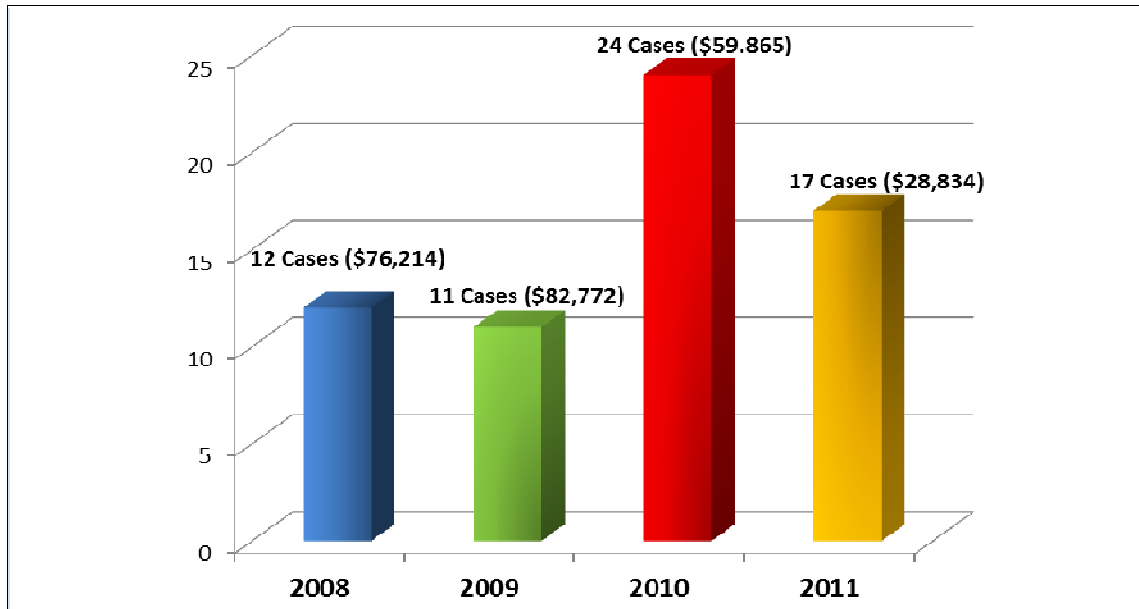
- One case of fraud, amounting to \$13,733, in which bogus contracts were given to fictitious vendors.
- 16 reports involving the theft or loss of laptop computers, smart phones and other equipment, totaling \$15,101.
- Four reports regarding the fraudulent use of PAHO purchasing credit cards by non-cardholders outside the Organization. The unauthorized charges were reimbursed in full by PAHO's financial institutions, resulting in no loss to the Organization.
- One report concerning the attempted misuse of checks.

39. This information was included in the Director's 2011 Financial Report.

40. The Ethics Office followed up on these cases, as necessary, and obtained written statements from the people to whom the equipment or asset was assigned to find out the circumstances surrounding the theft or loss. Moreover, it sent a communication to all country offices with suggestions on how to reduce the incidence of thefts and losses.

41. Figure 6 shows the number of reports of fraud, theft, and loss as well as the monetary value of these losses and thefts, from 2008 to 2011.

Figure 6: Number and dollar value of fraud, theft and loss cases by year, 2008 to 2011.



Professional Networks and Training

42. The Ethics Office is a member of two professional networks. The first is the Conference of International Investigators, which is an annual meeting of all the principal investigators of United Nations agencies, international financial institutions, and other international organizations. The 2011 meeting took place in Washington, DC, in May.

43. The second is the Ethics Network in Multilateral Organizations, which consists of ethics practitioners of the United Nations, its specialized agencies, and some international financial institutions. The purpose of this network is to share best practices and experiences in the ethics and compliance field. The 2011 meeting took place in Vienna, Austria, in July.

44. To better prepare the Ethics Office to handle investigations into allegations of harassment, the Ethics Program Manager attended a training program in October 2011 in Ottawa, Canada, on Conducting Investigations Into Workplace Wrongdoing. The focus of this course was on harassment complaints.

Other Activities

45. In 2011, the Ethics Office also provided assistance to the Institute of Nutrition of Central America and Panama (INCAP) for the development of an INCAP specific code of conduct.

Future Actions

46. In 2011, the Ethics Office experienced a significant increase in both the number of consultations and allegations of misconduct in comparison with previous years. In some respects, particularly in terms of the number of consultations, this increase was considered to be a positive development as it signifies that more staff are contacting the Office for advice and guidance. However, the increased workload had the effect of delaying the implementation of a number of initiatives that the Office was contemplating.

47. Subject to the availability of funding in a difficult financial environment, the Ethics Office still intends to obtain the assistance of outside vendors to (a) help update 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 (d) provide off-the-shelf training programs on a wide range of topics. The Ethics Office is hopeful that these activities will be implemented in 2012.

48. Last year's report noted that the responsibility for PAHO's declaration of interest program would be transferred from the Office of the Legal Counsel to the Ethics Office in 2011. This transfer has taken place, and the Ethics Office has developed a new expanded policy which includes, in addition to financial disclosure, general disclosure in other areas, such as outside employment and activities, that could give rise to possible conflicts of interest. The questionnaire that will be distributed to selected staff, as well as the program to launch the annual survey electronically, will be implemented in 2012.

49. Through the Asset Protection and Loss Prevention Committee, the Ethics Office has finalized a policy on holding staff accountable when property or equipment belonging to the Organization is lost or stolen through negligence or willful misconduct. This policy has now been approved and will be issued in 2012. The Ethics Office has also developed a comprehensive policy on outside employment, post-PAHO employment, participation on advisory boards and committees, and writing of books and articles. The Ethics Program Manager is leading a session on this topic at the 2012 meeting of the Ethics Network, and PAHO's new policy will be adapted, as necessary, to take into account the policies, practices, and perspectives of the other members of the Network and will be issued shortly thereafter.

Action by the Executive Committee

50. The Executive Committee is invited to take note of this report, solicit additional information or clarification on the work or activities of the Ethics Office during the 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

CE150/7 (Eng.)

Annex

ANALYTICAL FORM TO LINK AGENDA ITEM WITH ORGANIZATIONAL MANDATES

1. Agenda item: 3.4. Annual Report of the Ethics Office 2011

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 Annual Report.