



PAN AMERICAN HEALTH ORGANIZATION
WORLD HEALTH ORGANIZATION



146th SESSION OF THE EXECUTIVE COMMITTEE

Washington, D.C., USA, 21-25 June 2010

Provisional Agenda Item 3.4

CE146/7 (Eng.)

3 May 2010

ORIGINAL: ENGLISH

ANNUAL REPORT OF THE ETHICS OFFICE 2009-2010

Executive Summary

1. The Ethics Office was established in May 2006 to promote a culture of ethics and accountability in the Pan American Health Organization (PAHO). This report highlights: (a) the activities and achievements of the Ethics Office during its fourth year of operation; (b) the reports that have been received and the investigations that have been conducted; (c) the new policies that have been implemented to facilitate reporting, protect against retaliation, and standardize the conduct of investigations; and (d) the future actions that will be taken to update PAHO's Code of Ethical Principles and Conduct, provide additional training opportunities, and offer further guidance to staff through the development of new policies.

Reporting Period

2. This report covers the work carried out by the Ethics Office from 1 May 2009 to 30 April 2010.

Status and Role

3. The Ethics Office is a functionally independent entity reporting directly to the Executive Committee of PAHO. For administrative purposes, the Ethics Office is supported by the Office of the Deputy Director.

4. The main role of the Ethics Office is to provide advice and guidance to staff to promote ethical behavior and ensure compliance with PAHO's standards of conduct. As part of this function, the Ethics Office provides briefing and training sessions to staff on

PAHO's Code of Ethical Principles and Conduct and on the policies that have been issued in the ethics and compliance areas.

5. Another key function of the Ethics Office is to conduct investigations into allegations of wrongdoing and suspected violations of the Code of Ethical Principles and Conduct.

6. The Ethics Office also takes the lead in recommending new policies to promote proper behavior and provide greater clarity and direction to staff on ethical issues.

7. The principal activities undertaken and results achieved in each of these areas during 2009-2010 are highlighted below.

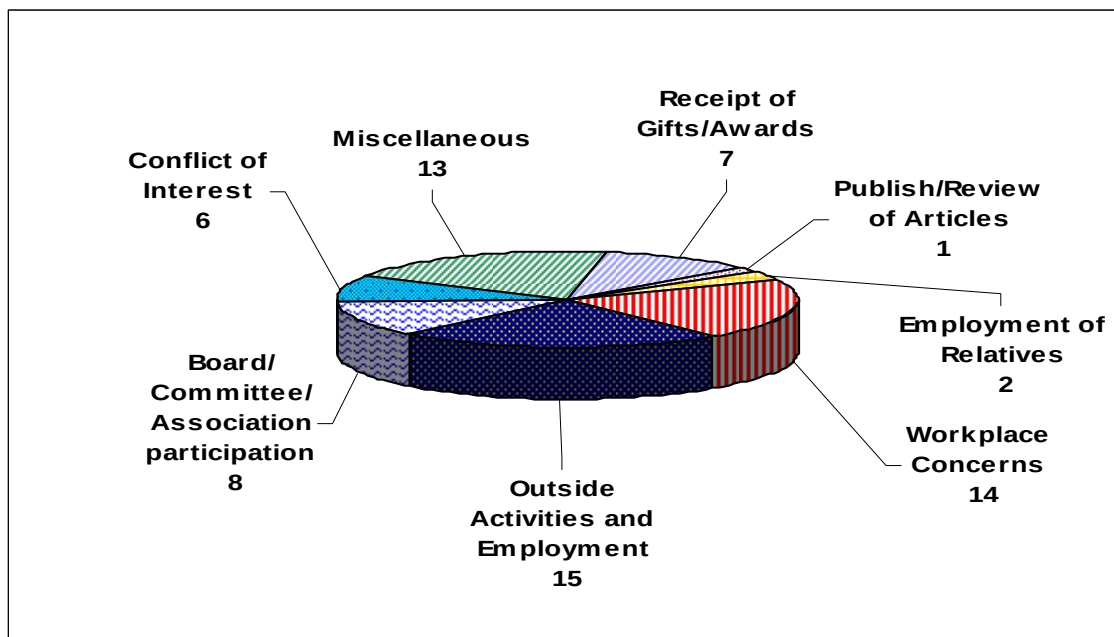
Advice and Guidance

8. Providing advice and guidance to staff is one of the core functions of the Ethics Office. By asking questions and obtaining the appropriate guidance and advice, staff can avoid situations that might otherwise give rise to a conflict of interest or create a problem for the Organization or for themselves. When staff act on the advice that has been provided, they are also assured that they will be protected even if a problem subsequently arises.

9. PAHO's Code of Ethical Principles and Conduct sets out a number of different areas where personnel must obtain the authorization of the Ethics Office prior to engaging in a specific activity, and many of the consultations of staff relate to this requirement. In addition, the Ethics Office responds to specific queries pertaining to the interpretation or application of the Code of Ethical Principles and Conduct and to general inquiries on ethical matters.

10. During the 2009-2010 reporting period, the Ethics Office responded to 66 consultations from staff, including three submitted through the Ethics Help Line, as illustrated in the chart below:

Breakdown by Type of Consultation



11. This represents a slight increase from the 64 consultations for the 2008-2009 reporting period. Because the last awareness campaign took place in 2007, the Ethics Office intends to launch another campaign to remind staff of the importance of asking questions and complying with the disclosure requirements in the Code of Ethical Principles and Conduct.

Training and Educational Opportunities

12. The Ethics Office continued to provide briefing sessions on the Code of Ethical Principles and Conduct and PAHO's Integrity and Conflict Management System (ICMS) to various groups of staff in 2009-2010. Specifically, briefings were provided to:

- Country office staff in Lima, Peru, in July 2009;
- Country office staff in Caracas, Venezuela, in July 2009;
- Human Resources Management (HRM) country focal points in September 2009;
- New PAHO/WHO country representatives in October 2009;
- New administrative officers in November 2009;
- Country office staff in Bogotá, Colombia, in January 2010.

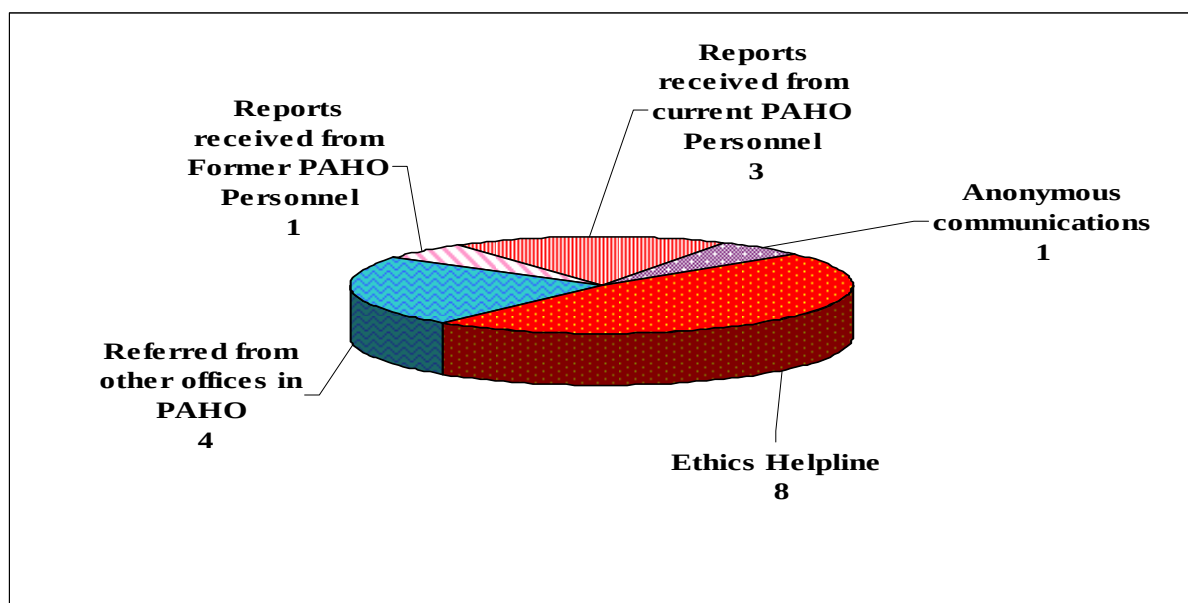
13. Individual briefings were also provided to new personnel at Headquarters throughout the year.

14. New staff joining the Organization are required to complete the online case-based training course on PAHO's Code of Ethical Principles and Conduct. To supplement this core training activity and provide continuous learning opportunities for staff, the Ethics Office will be procuring off-the-shelf training programs on a wide range of ethics-related topics and developing a new customized training program.

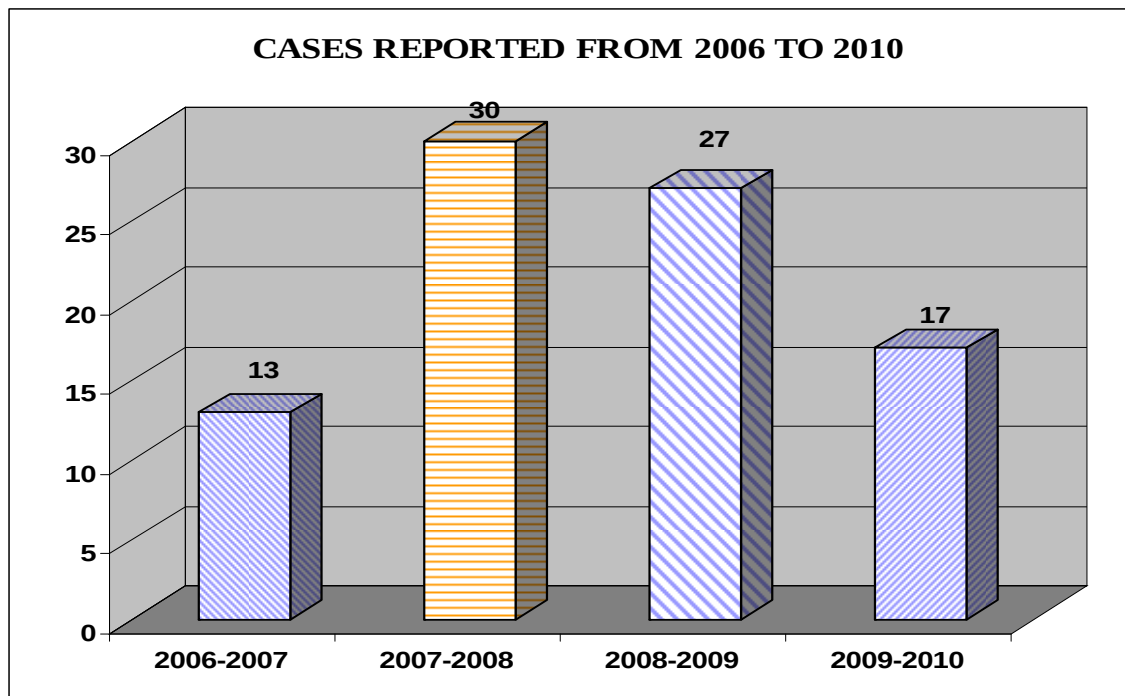
Investigations

15. One of the other major roles of the Ethics Office is to investigate allegations of wrongdoing that are reported to it directly, through the Ethics Help Line or to one of the other members of PAHO's Integrity and Conflict Management System. This role is limited to fact finding, as the purpose of an investigation is to determine whether an allegation has merit and if a violation of the Organization's standards of conduct 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, these decisions are taken by Human Resources Management.

16. During the 2009-2010 reporting period, the Ethics Office received 17 reports about behavior that raised ethical concerns. The breakdown on how the Ethics Office received information about an issue or allegation is shown below:



17. For comparative purposes, the table below shows the number of reports received by the Ethics Office on ethical concerns during the last four years:



18. The Ethics Office received eight reports on ethical concerns through the Ethics Help Line in 2009-2010, which represents a significant increase from the previous year, when only two reports were received via the Help Line. Of these eight reports, six were submitted anonymously.

19. The investigations carried out by the Ethics Office involved a variety of issues and resulted in various actions being taken by the Organization, based on the findings and the gravity of the offense. A brief overview of the various issues reported to the Ethics Office and the investigations that have been completed, as well as those cases still under consideration, is presented below.

Completed Investigations

20. During the year under review, investigations were completed on the following issues:

- The alleged use of the duty-free privileges of the Organization by an employee to import household effects into the country of assignment on behalf of a relative;
- The receipt of an education grant entitlement from PAHO while reportedly receiving a similar benefit from another source;
- An alleged failure to disclose in an employment application form that a relative was already working in PAHO;
- Apparent irregularities in receipts submitted for the payment of a special education grant;
- Alleged unequal treatment in the work unit, people being hired without the proper qualifications and favoritism regarding which personnel were allowed to go on duty travel;
- The apparent misuse of an office photocopier by an employee to print a large quantity of documents when a contract had been entered into between the office in question and the employee's father to carry out the printing work;¹
- The reported use of an official vehicle and driver for personal reasons;
- Threatening remarks allegedly made by an employee against the employee's landlord;
- The alleged failure of an employee to pay rent;
- The reported use of the "Doctor" designation by several PAHO employees who are not medical doctors or do not have doctorate degrees.

21. The Ethics Office submits its investigation reports to the relevant officials in the Organization, who then decide what action, if any, should be taken. Based on the outcome of the investigations that were carried out, disciplinary action was taken by the Administration in two of the above cases, employees were counseled in three cases, no ethical violations were found in three cases and decisions are pending in two other cases.

Ongoing Investigations

22. The Ethics Office is also looking into the following issues, which are currently at different stages of investigation:

- The establishment of a company to do business with PAHO and the processing of a contract without apparently disclosing a potential conflict of interest;
- Suspected irregularities in an office, including the hiring of family members and friends, improper procurement practices and the submission of fraudulent travel claims;
- An alleged misrepresentation on an employment application form regarding the qualifications of the applicant;

¹ This case was investigated by the office itself.

- The falsification of a check that was reported stolen from a PAHO office;
- The publication of advertisements in newspapers soliciting applications for fictitious positions in PAHO and charging an application fee;
- A supervisor allegedly requiring a subordinate to perform work of a personal nature at the supervisor's home;
- Actions reportedly taken by a supervisor to shift responsibility to a subordinate for failing to follow established procedures, culminating in the loss of the subordinate's job;
- A report that a PAHO office exerted undue pressure on an outside entity to reduce the amount of a contract that had already been agreed upon by both parties;
- A claim that the process used to evaluate an employee's performance was unethical;
- The alleged improper hiring of people from the same country to work in the same office;
- Alleged defamatory comments made against a PAHO employee;
- A possible conflict of interest concerning the purchase of equipment.

PAHO's Integrity and Conflict Management System

23. The Ethics Office serves as the coordinator for PAHO's Integrity and Conflict Management System (ICMS), which was established in 2007 to incorporate all the existing resources dealing with integrity and conflict resolution issues under one umbrella so they would be more accessible, effective, and easily understood by personnel.²

24. The ICMS members met on 12 occasions during the past year and discussed at length a wide range of topics, including the policy to protect against retaliation, the investigation protocol and the administration of justice system in PAHO.

25. More specific information regarding the creation and operation of the ICMS is provided in Information Document CE146/INF/3.

Standing Committee on Asset Protection and Loss Prevention

26. The Ethics Office also serves as a member and as the secretary of the Standing Committee on Asset Protection and Loss Prevention, which was established in May 2009.³ The purpose of this Committee is to help prevent the loss, misappropriation, or

² The ICMS members are the Ethics Office, Ombudsman's Office, the Office of Legal Counsel, Human Resources Management, Information Security, Internal Evaluation and Oversight Services, Board of Appeal, Grievance Panel, and Staff Association.

³ The chairperson of the Standing Committee on Asset Protection and Loss Prevention is the Director of Administration and the members are the Legal Counsel, the Auditor-General, the Manager of Financial

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

27. The Committee met on six occasions during the past year and discussed specific cases and policy issues, as well as audit findings and recommendations. One decision taken by the Committee was to endorse an external audit recommendation that all reports of suspected theft, loss, or misconduct should be reported to one focal point in the Organization, namely the Ethics Office.

28. As part of this new function, the Ethics Office consolidated information on all thefts, losses, and cases of financial fraud or attempted fraud that occurred during the 2008-2009 biennium. This information was then included in the Financial Report of the Director.

New Policies and Practices

Policy to Protect Against Retaliation for Reporting Wrongdoing or Cooperating in an Investigation or Audit

29. PAHO's Code of Ethical Principles and Conduct requires staff to report suspected wrongdoing and to cooperate in investigations. PAHO's policy to protect staff from retaliation was developed by the Ethics Office over the course of one year, in close consultation with all ICMS members. The Organization issued the formal policy in December 2009. Under this policy, retaliation is expressly prohibited and disciplinary action, including termination of appointment, can be taken against any person who takes retaliatory action against someone who reports a suspected wrongdoing or cooperates in an investigation or audit.

Protocol for Conducting Workplace Investigations

30. Since its inception, the Ethics Office has conducted its investigations in conformity with guidelines issued by the Conference of International Investigators and generally accepted principles and practices.⁴

Reporting and Management, PAHO's Information Security Officer, and the Ethics Program Manager, who also serves as secretary.

⁴ The Conference of International Investigators is an annual meeting of all the principal investigators of UN agencies, international financial institutions, and other international organizations. It issued guidelines regarding the conduct of investigations in 2003 and 2009.

31. In April 2010, after an extensive collaborative process with all ICMS members, the Organization issued an investigation protocol specific to PAHO to ensure that all investigations are carried out in a fair, transparent, and consistent manner. This Protocol describes in general terms how workplace investigations will be carried out in PAHO when possible wrongdoing has been uncovered or reported.

32. While the Protocol establishes the parameters for the conduct of all preliminary inquiries and investigations in PAHO, it also makes it clear that each case is unique and that some flexibility may be required to ensure that every investigation is properly carried out and each case is evaluated on its own merit.

Reporting Suspected Thefts, Losses, or Misconduct

33. In the past, reports of suspected theft, loss, or misconduct were reported to different offices in the Organization. Based on a recommendation of PAHO's External Auditors, it was agreed that all reports involving suspected theft, loss or misconduct should be communicated to a single office in order to simplify the reporting procedure and ensure that all cases are captured in a central database. In view of its mandate in the Organization, as well as its role in overseeing the Ethics Help Line, the Ethics Office was designated for this role.

34. Accordingly, a General Information Bulletin was issued in March 2010 and staff are now required to notify the Ethics Office directly whenever an item belonging to the Organization is lost or stolen or when there is suspected fraud or misconduct. In turn, the Ethics Office will take appropriate action, maintain records and relay information on specific cases to other offices, protecting confidentiality as necessary.

Administration of Justice Review

35. The Ethics Office coordinated the review of the administration of justice system in PAHO. This review has been completed and a comprehensive report is being presented to the Director of PAHO for consideration and decision. The purpose of the review is to ensure that personnel have access to an independent, transparent and professional administration of justice system consistent with international best practices and the reforms that are taking place throughout the United Nations system.

36. More specific information regarding the objectives of this review is provided in Information Document CE146/INF/3 on PAHO's Integrity and Conflict Management System.

Fundraising for Charitable Organizations

37. The Ethics Office assisted the Area of General Services Operations (GSO) with the development of a policy on fundraising in the workplace for charitable organizations. Under the new policy, staff may not solicit private donations from colleagues in the workplace unless PAHO is involved in the charitable activity or approval is given by GSO.

Use of Alcoholic Beverages at Official PAHO Events

38. The Ethics Office assisted GSO with the development of a policy on the consumption of alcoholic beverages at official PAHO events and social gatherings. Under the policy, it is permissible to serve alcoholic beverages at these types of functions as long as the serving of alcohol is a generally accepted practice at the location where the function is taking place.

Future Actions

39. Last year's report noted that PAHO's Code of Ethical Principles and Conduct needed to be updated to take into account lessons learned and latest practices and to expand its scope to include vendors, suppliers, and contractors. The report also suggested that the Code could be made more attractive by using color graphics, given more visibility, and made more accessible to personnel. In addition, the report noted that the Ethics Office was considering implementing a survey to gauge the ethical health of the Organization and the level of awareness of PAHO's policies in the ethics and compliance areas.

40. Subsequently, the Ethics Office contacted several prominent companies in the ethics field and recently issued a Request for Proposals to four companies, inviting them to submit quotations by 31 May 2010 to (a) help update PAHO's Code; (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. Ideally, the same company would be selected to provide all of these services.

41. In the coming year, the Ethics Office envisions making recommendations on policies which could include issues such as outside employment, post-PAHO employment, receipt of gifts, participation on advisory boards and committees, hiring of family members as unpaid volunteers, and writing of articles.

Action by the Executive Committee

42. The Executive Committee is invited to note 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.

Annex



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

CE146/7 (Eng.)
Annex A

ANALYTICAL FORM TO LINK AGENDA ITEM WITH ORGANIZATIONAL MANDATES

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

2. Responsible unit: Ethics Office

3. Preparing officer: Philip MacMillan

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

N/A.

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

N/A.

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 which 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:

N/A.

8. Financial implications of this Agenda item:

The Ethics Office will be submitting a request for funds in order to implement the activities outlined in the RFP, as mentioned in the report.

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