

162nd SESSION OF THE EXECUTIVE COMMITTEE

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Provisional Agenda Item 3.5

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ANNUAL REPORT OF THE ETHICS OFFICE FOR 2017

Introduction

1. Established in 2006, the Ethics Office of the Pan American Health Organization (PAHO) works to promote the Organization's values and commitment to ethical behavior, transparency, and equity.
 2. The Ethics Office functions independently of the Organization and reports directly to the Governing Bodies of PAHO through the Executive Committee. The Ethics Office has an indirect reporting relationship with the Deputy Director of the Pan American Sanitary Bureau (PASB) for routine administrative matters, such as biennial work plans, budget, staffing needs, and the approval of duty travel and leave.
 3. The Ethics Office is guided by the principles of integrity, independence, and impartiality in pursuing its mandate of assuring ethical conduct and compliance with the rules and policies that have been developed and adopted by PAHO to promote the highest standards of ethical behavior. The Ethics Office performs its functions free from any influence from staff or management and third parties outside the Organization.
 4. Since its establishment, the Ethics Office has had a dual mandate: *a)* to provide guidance and advice on ethical issues to help guide staff in the right direction; and *b)* to conduct administrative fact-finding investigations into allegations that PASB personnel may have breached the applicable standards and engaged in unethical behavior or misconduct. However, following a recommendation by the Audit Committee, which was accepted by the Director and endorsed by the Executive Committee, the investigative function was transferred to a newly established Investigations Office with effect from 1 January 2018. As a result, this is the last year that the Ethics Office will report on investigations. In the future, the new Investigations Office will provide this information.
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5. The Ethics Office strives to cultivate an internal work environment in which respect for others, integrity, trust, open communication, and tolerance for different cultures and perspectives are both encouraged and shared by all staff. While every person who works for PASB is expected to apply the principles of the PAHO Code of Ethical Principles and Conduct (Code) in their day-to-day activities, both inside and outside the workplace, the Ethics Office is tasked with promoting high ethical standards and responding to any doubts, questions, or uncertainties about these principles when they arise.
6. Advisory services are provided in response to queries from personnel on issues that may have ethical implications or that give rise to ethical concerns. These queries may be made using a variety of modalities and they may be anonymous, if desired.
7. The Ethics Office utilizes a variety of tools and resources to promote high ethical standards and awareness, including printed materials and face-to-face training sessions both at Headquarters and in the PAHO/WHO country offices and the Pan American Centers.
8. By staying abreast of emerging trends and shifting priorities in the areas of ethics and compliance, the Ethics Office is able to develop new policies and initiatives, which are then incorporated into learning activities.
9. The investigative function of the Ethics Office pertains to allegations of misconduct involving PASB personnel. These allegations include claims of harassment, retaliation, abuse of authority, fraud, misappropriation of resources, theft or loss of the Organization's assets or attractive equipment, or other suspected ethical violations.
10. Potential ethical violations can be reported to the Ethics Office through various channels, including the Ethics Helpline. Administered by an outside vendor, the Ethics Helpline provides a secure line of communication through which an individual may ask questions, express concerns, or report allegations of misconduct to the Ethics Office. The Ethics Helpline is accessible through a dedicated and secure website and is available in the Organization's four official languages (English, French, Portuguese, and Spanish).
11. The Ethics Helpline makes it possible to submit reports to the Ethics Office anonymously and/or by an uninvolved party without fear of retaliation. Such a mechanism is essential not only to PAHO, but also to any effective ethics program.
12. The Ethics Office coordinates the PAHO Integrity and Conflict Management System (ICMS)¹ and serves as secretariat of the Standing Committee on Asset Protection and Loss Prevention. The ICMS brings together all the offices in the Organization responsible for addressing matters of organizational integrity and conflict resolution. The

¹ The ICMS members include the Ethics Office, the Office of the Ombudsman, the Office of the Legal Counsel, Human Resources Management, Information Security, Internal Evaluation and Oversight Services, the Board of Appeal, and the PAHO/WHO Staff Association.

ICMS members meet regularly to ensure consistent application and interpretation of PAHO rules and regulations, discuss matters of mutual interest, and suggest improvements to the Organization's conflict resolution system.

13. Access to the Ethics Office is open to all personnel in PASB, irrespective of their contractual status. Personnel are encouraged to seek guidance and advice on how to comply with the principles of ethical behavior set out in the Code and other policies that regulate the conduct of international civil servants. The Ethics Office plays a primary role in promoting and shaping a culture of ethics and integrity in PASB, providing guidance, advice, and training to help staff make the right ethical decisions, and integrating the principles set forth in the Code into the daily professional practice of all staff. The presence of the Ethics Office is vital to helping PAHO convey transparency, trust, and integrity, both within the Organization and in its relationships with external partners as it carries out its mission of championing health throughout the Americas.

14. In this report, the Ethics Office outlines its activities, achievements, and challenges in 2017. Areas covered include: *a)* advice and guidance provided to PASB personnel in response to consultations; *b)* allegations of misconduct that were received and investigated, including reports made through the Ethics Helpline; *c)* new initiatives that have been implemented to improve awareness and reduce the risk of potential conflicts of interest; and *d)* future actions that will be taken to further enhance the ethical culture in PASB.

15. Highlighted below are the principal activities undertaken and the results achieved by the Ethics Office in 2017 in each of the key areas described above.

Advice and Guidance

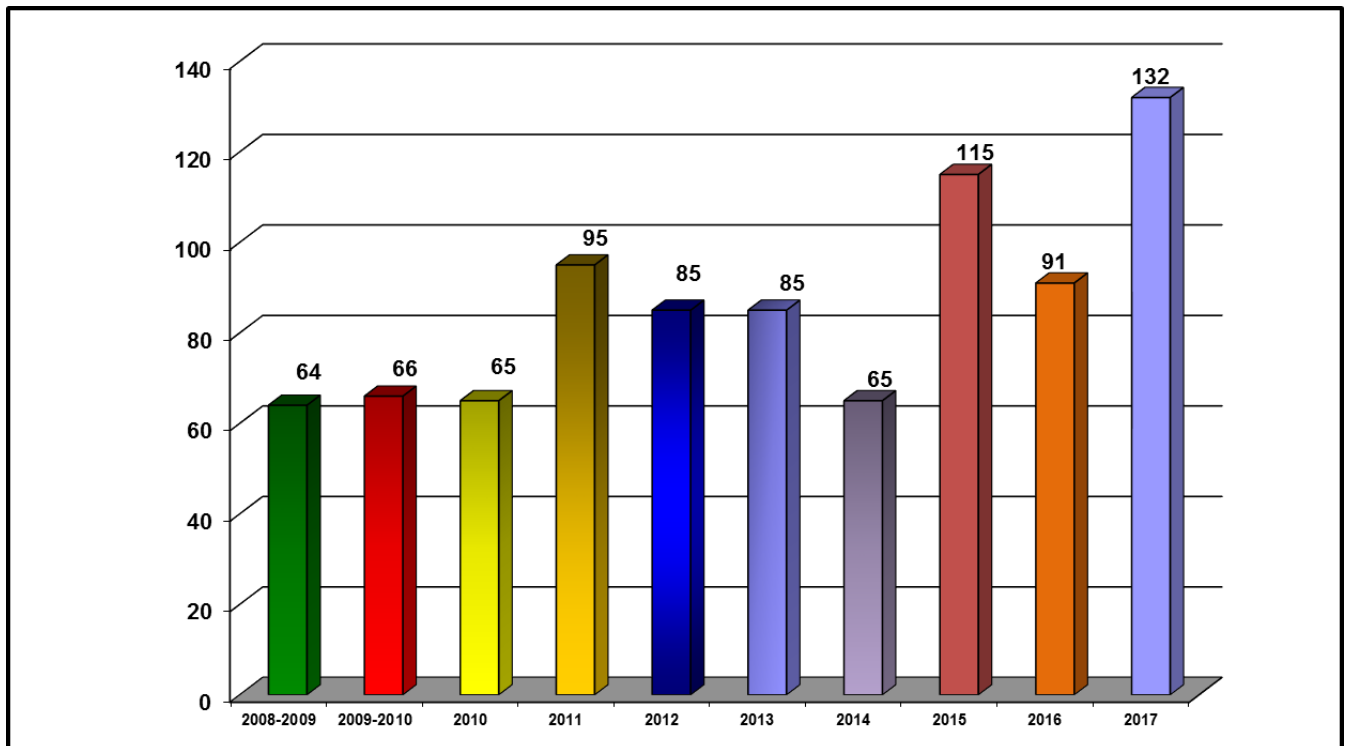
16. At its core, the Ethics Office's role is to help PASB personnel meet their responsibilities and obligations under the Code. All personnel are encouraged to seek out the advice of the Ethics Office whenever they have questions or are unsure of the potential implications of their actions. Providing authoritative guidance helps personnel avoid potential conflicts of interest between their professional responsibilities and personal interests, thereby safeguarding the reputation of both the Organization and the individuals themselves.

17. When PASB personnel have an ethical dilemma, question, or concern, they may opt for one of several different avenues to obtain guidance regarding the issue: *a)* consult the various policies of the Organization, including the Code and the International Civil Service Commission's *Standards of Conduct for the International Civil Service*; *b)* submit a consultation through the Ethics Helpline (remaining anonymous if they wish); and/or *c)* approach the Ethics Office directly (personally or via e-mail) for guidance and advice on how to address a given situation.

18. As shown in Figure 1, in 2017 the Ethics Office responded to 132 consultations from personnel on a wide range of topics. This number set a record, surpassing the previous

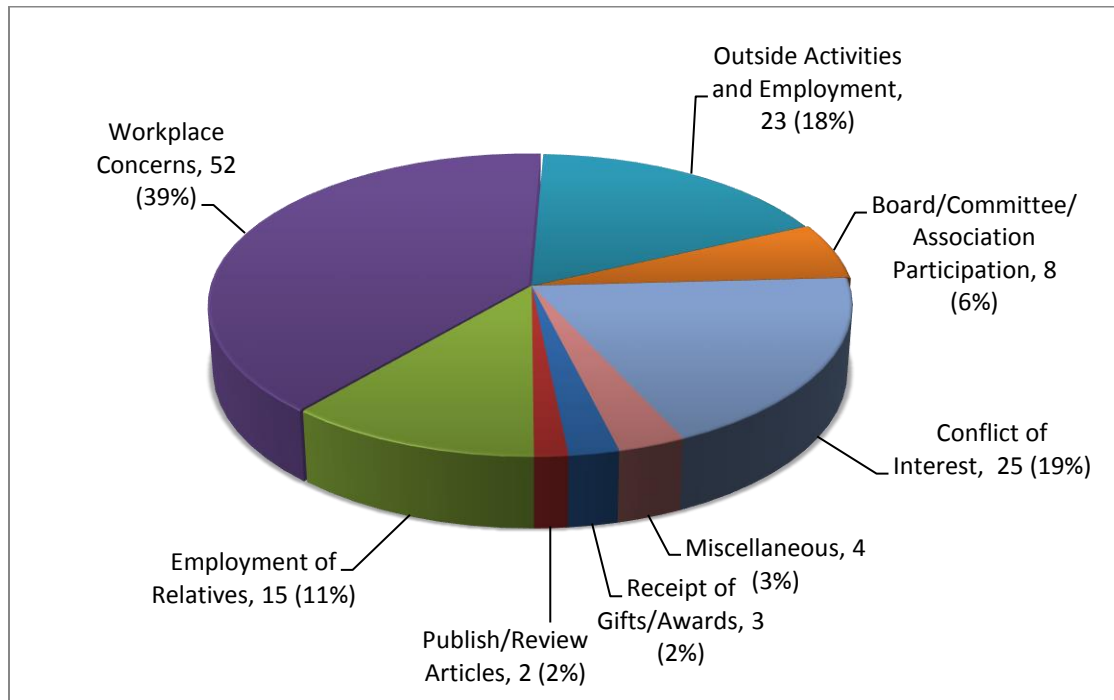
high of 115 in 2015. The 132 consultations correspond to about 6% of the PASB workforce of over 2,000 employees under all types of contracts. Since the average consultation rate for most organizations is around 4%, these numbers reflect better-than-average confidence and willingness among staff to seek guidance and advice from the Ethics Office.

Figure 1. PASB staff consultations, by year, 2008–2017



19. The types of consultations in 2017 are shown in Figure 2 below.

Figure 2. PASB staff consultations, by type, 2017



20. In 2017, 52 queries were received about general workplace issues, such as the appropriate use of PASB resources, including telephones and computers and how to address a fellow co-worker who is disrespectful and smokes too close to the building.

21. In 2017, 25 queries referred to potential conflicts of interest. In one case, the Ethics Office received an anonymous query through the Ethics Helpline claiming that a PAHO consultant held a leadership position in a nongovernmental organization (NGO) with links to the pharmaceutical industry. The Ethics Office reviewed the information provided, researched the matter, contacted the PAHO consultant in question, and concluded that no conflict of interest existed.

22. The Ethics Office received 23 queries in 2017 regarding outside activities and external employment of PASB personnel. In one instance, a PASB staff member inquired whether he could serve as a nonpartisan election officer for a local election. The Ethics Office determined that this activity would not pose a conflict with the staff member's official duties or the Organization's mandate.

23. Another 15 queries were about the possible employment of family members or relatives of serving PASB personnel. Given the negative connotations associated with nepotism, the Organization does not normally allow the employment of family members

or relatives in PASB unless the person undergoes a competitive selection process, the position requires specialized skills, and no other equally qualified candidate is available.

24. In addition, eight queries were about serving as a board member of an outside organization or association. As part of the review process, the Ethics Office seeks to ensure that the person's participation would not create a conflict of interest with the mandate or work of the Organization. In one instance, a staff member contacted the Ethics Office to see if it would be permissible to serve as a regional group chair for a professional affinity association. The Ethics Office determined that such service was compatible with the work and reputation of the Organization and allowed the staff member to accept the invitation on condition that it did not interfere with her duties at PAHO and no PAHO resources were used to pursue the activity.

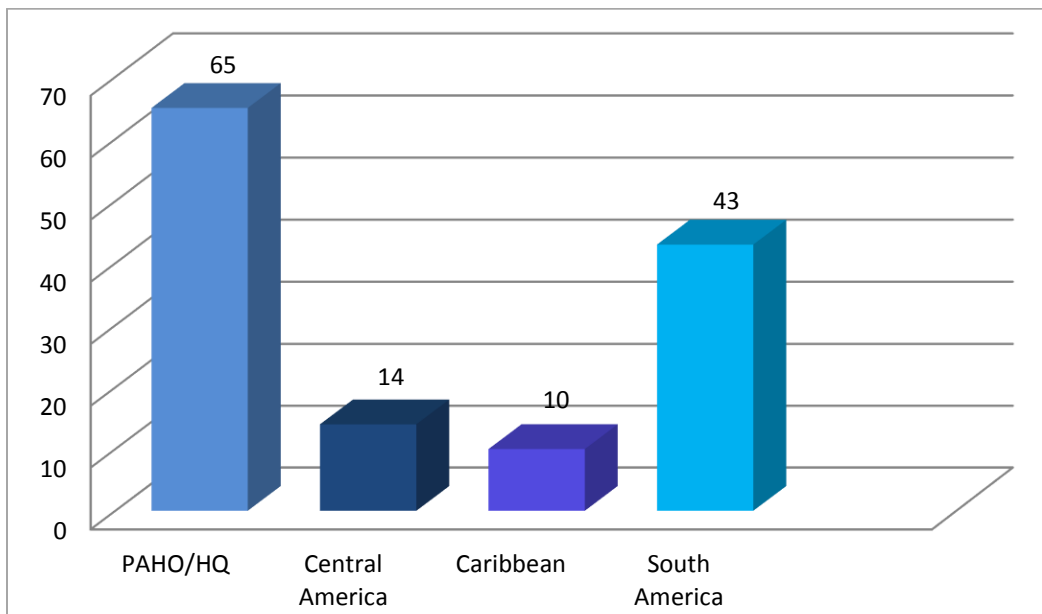
25. Three consultations related to gifts from suppliers or vendors. The Code stipulates that a gift from an outside source may only be accepted if it is "infrequent and of minimal value." Accordingly, PASB personnel are required to decline substantial gifts to avoid any perception of preferential treatment and any expectation of reciprocity from the vendor in the future.

26. Additionally, two queries were received about the publication of books and four on other miscellaneous issues.

27. In 2017, the Ethics Office extended its analysis of the consultations received with a view to learning more about the people who approach it for assistance and determining where additional outreach efforts should be made.

28. Figure 3 shows that 49% (65) of all consultations were received from personnel at PAHO Headquarters, while 51% (67) were from personnel at the country level: 32% (43) from South America, 11% (14) from Central America, and 8% (10) from the Caribbean. In 2016, on the other hand, queries from outside Headquarters represented 44%. The Ethics Office believes that the increase to 51% for consultations from staff outside of Headquarters could be a reflection of the Office's increased outreach efforts in 2017.

29. The percentage of consultations from each of the three subregions (South America, Central America, and the Caribbean) and PAHO Headquarters generally corresponds to the percentage of employees located in each region, except for the Caribbean, which accounts for 15% of the overall PASB workforce but only 8% of the consultations. Outreach efforts will be strengthened in this subregion in 2018.

Figure 3. PASB staff consultations, by subregion, 2017

30. Disaggregation of the 2017 consultations by gender and grade showed that female staff represented 55% of the total. In terms of grade level, staff in the professional category represented 64% of the total, while those in the general service category amounted to 35% (Figures 4 and 5).

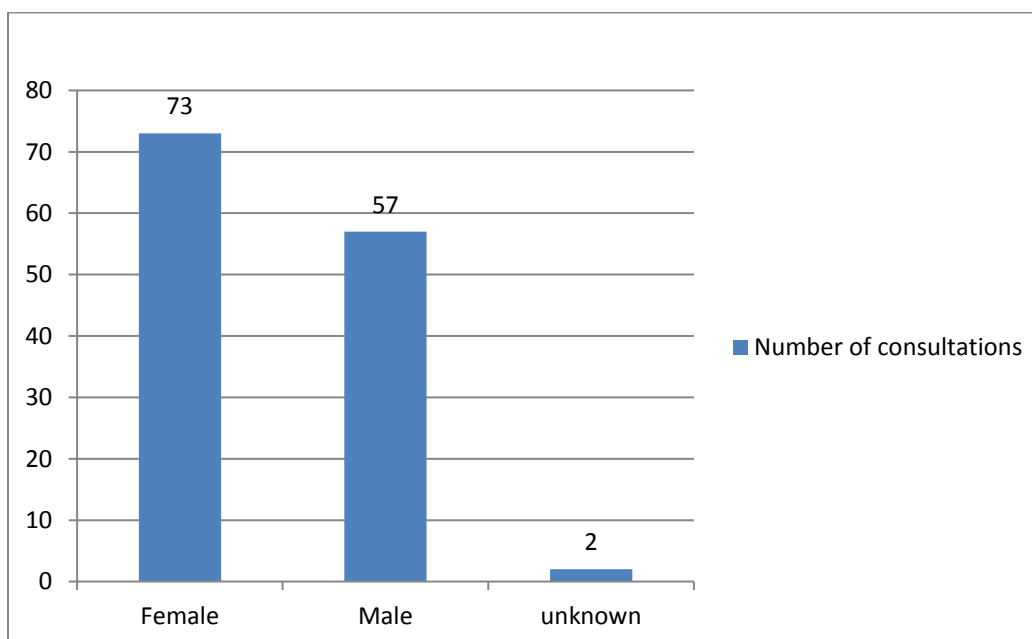
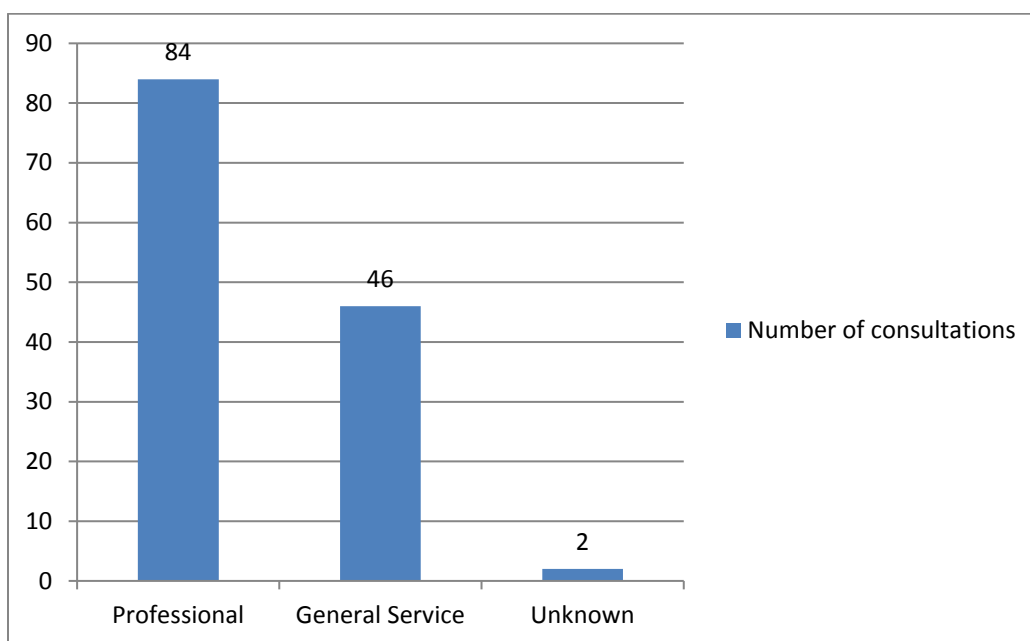
Figure 4. PASB staff consultations, by gender, 2017

Figure 5. PASB staff consultations, by grade, 2017

Briefing and Learning Opportunities

31. In 2017, the Ethics Office conducted briefing sessions on its role, the Code of Ethical Principles and Conduct, and the Integrity and Conflict Management System in six country offices and two PAHO centers (see table below). These eight missions, enabled in part by the staffing increase in 2016, represented the most country office visits made by the Ethics Office in a single year.

Countries	Centers
Brazil	BIREME
Costa Rica	PANAFTOSA
Cuba	
Jamaica	
Nicaragua	
Panama	

32. In 2017, the Ethics Office also gave briefings to the Department of External Relationships, Partnerships, and Resource Mobilization, as well as a group of interns at PAHO Headquarters. The Ethics Office plans to increase its outreach to staff at PAHO Headquarters in 2018.

33. In addition, the Ethics Office and the Office of the Ombudsman provided a joint training session for all administrative officers during their 2017 conference in Washington, D.C.

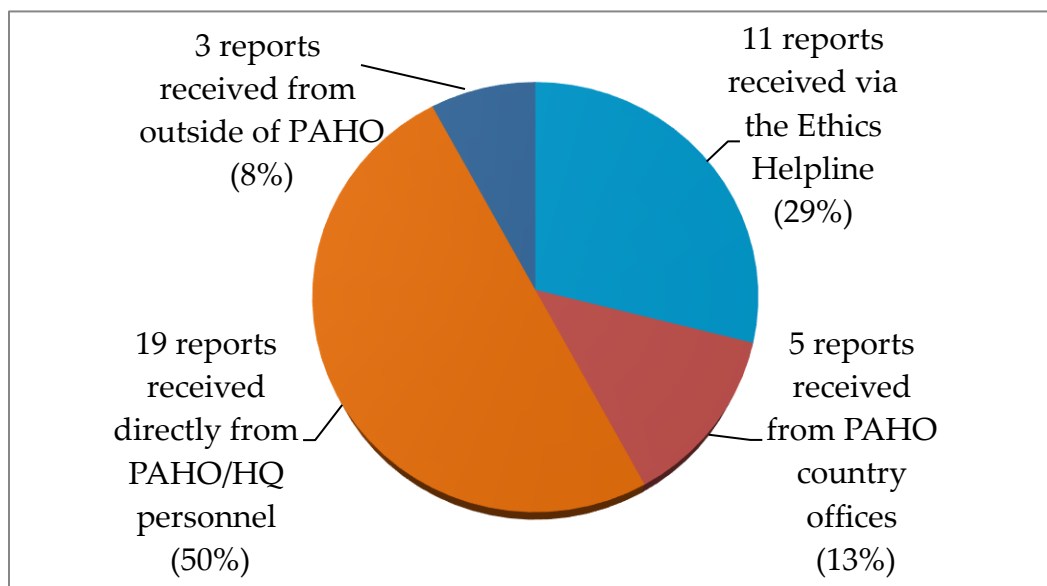
Investigations

34. The other principal role of the Ethics Office is carrying out investigations into allegations of misconduct and suspected violations of the Code. These investigations are strictly administrative in nature and are intended to uncover the facts in an impartial, objective, and independent manner.

35. When the Ethics Office finds prima facie evidence that misconduct has occurred in a given case, it submits a report of its investigation to Human Resources Management, which is responsible for making a final determination regarding the merit of the allegation(s) and deciding whether to impose administrative or disciplinary action. Thus, the Ethics Office acts as the fact-finder, while Human Resources Management is the decision-maker. This separation of functions between fact-finder and decision-maker ensures greater scrutiny and transparency in the process.

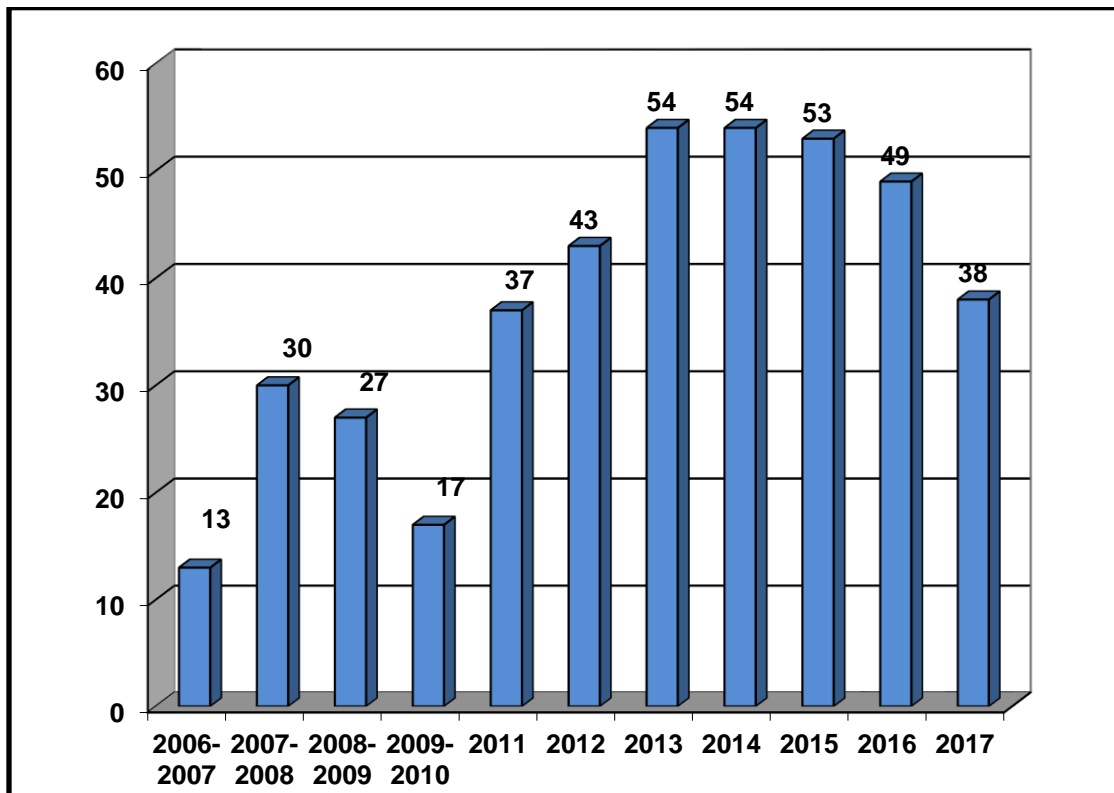
36. In 2017, the Ethics Office received 38 reports on behavior that raised possible ethical concerns. As shown in Figure 6 below, 11 of these reports were submitted through the Ethics Helpline. All but two of them were anonymous. This distribution mirrored the pattern of the previous three years in that most of the reports submitted through the Ethics Helpline have been anonymous. However, it is noteworthy that in 2017, as in 2016, more reports regarding ethical concerns were received directly from PASB staff (both at Headquarters and in country offices) than via the Ethics Helpline. This pattern likely reflects the expanded outreach efforts of the Ethics Office, as well as greater confidence on the part of staff members to express their concerns directly to the Ethics Office.

Figure 6. Reports on behavior that raised ethical concerns, by source of information, 2017



37. Figure 7 below shows the number of reports received on ethical concerns in 2006-2017, where 2017 had the smallest number of reports since 2011. However, the year saw an increase in the number of reports on harassment and suspected fraud.

Figure 7. Reports on ethical concerns, by year, 2006–2017



38. Of the 38 reports received in 2017, eight were formal harassment complaints from staff in different departments. One complaint alleged harassment behaviors by one colleague directed at another that included staring and unwelcome touching. Another complaint was from a former PAHO contingent worker who claimed that a staff member invited her to lunch and tried to kiss her.

39. Seven of the reports pertained to inappropriate workplace conduct, including the unauthorized release of confidential information and claims that certain supervisors are disrespectful towards their subordinates.

40. Five reports related to the Organization's hiring practices and selection processes. In one case, the Ethics Office received an allegation that a staff member cheated during the interview stage of a selection process by either having another person answer questions in English on his behalf or by using some sort of translating device.

41. Four reports concerned alleged conflicts of interest. In one case, it was reported that a member of a selection panel had a close personal friendship with a candidate for the post.
42. Another report involved an allegation that a staff member was lending money to other staff members in the office at exorbitant interest rates.
43. Seven of the reports had to do with other forms of misconduct. For the second consecutive year, a PAHO-sponsored G-5 domestic employee filed a complaint against a PASB staff member for alleged abuse of authority and exploitation. The Ethics Office conducted a formal investigation and submitted its findings to Human Resources Management.
44. PASB does not tolerate fraud and corruption. All suspected cases of fraud and corruption are vigorously investigated. The Organization takes appropriate and proportionate disciplinary action, including in some cases termination of appointment.
45. Six allegations of suspected fraud were received, as follows:
 - a) It was alleged that a senior official had filed a claim to obtain reimbursement for airfare when the cost of travel had previously been charged to a PAHO purchasing card. However, the Ethics Office determined that the staff member had used a personal credit card for the trip and hence was entitled to reimbursement.
 - b) A staff member was reported to have traveled outside the country to attend a family function while on sick leave. The Ethics Office determined that the staff member ultimately accounted for the absence by taking annual leave.
 - c) It was claimed that a kickback scheme had been orchestrated in a certain country by a senior official in the Ministry of Health through the intermediation of a PAHO/WHO country office. The Ethics Office followed up but was unable to obtain sufficient supporting information to initiate an investigation.
 - d) A person was said to have impersonated a PASB staff member by using a false PAHO e-mail address to fraudulently obtain plane tickets from a travel agency. This matter was handled by another office in PAHO.
 - e) It was ascertained during an audit that some PASB staff may be underreporting their spouses' income in order to receive certain benefits, such as the dependent spouse allowance. This matter is currently under investigation.
 - f) A medical facility, ostensibly opened in collaboration with a PAHO/WHO country office, was beset with financial problems and alleged corruption by local officials. Since this matter did not involve PASB personnel, it was referred to the Office of Legal Counsel for follow-up.

Presumptive Fraud, Theft, Damage, and Loss of PAHO Property

46. All cases of presumptive fraud, theft, damage, and loss of property must be reported to the Ethics Office, which serves as the focal point in PASB for these matters.

47. The *PAHO Asset Accountability Policy*, instituted in 2012, holds staff accountable for replacing or repairing any equipment that is lost, stolen, damaged, or destroyed as a result of negligence or willful misconduct. Thus, PASB personnel must care for the Organization's property as if it were their own. If it is determined that reasonable measures were not taken to protect PAHO property or equipment from loss or theft, staff members may be required to reimburse the Organization for the cost of the missing asset.

48. In 2017, the Ethics Office received 50 reports regarding theft, damage, loss of PAHO resources or equipment, or fraudulent misuse of PAHO corporate or travel credit cards by non-staff. This was the largest number of such reports received since creation of the Ethics Office. However, the net losses remained more or less consistent with the amount sustained in recent years. These cases, which are also described in the 2017 Financial Report of the Director, were as follows:

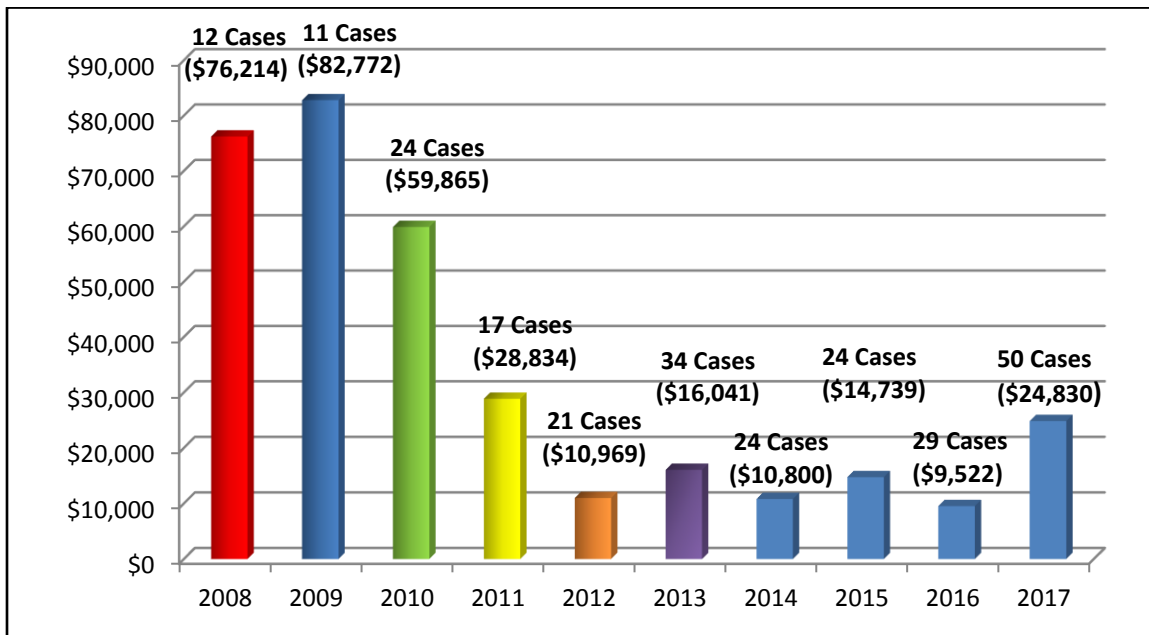
- a) Three cases involved the theft or loss of textbooks from the Expanded Textbook and Instructional Materials Program (PALTEX), for a total value of US\$ 11,386.78.² These losses were reimbursed to PAHO in full by the point-of-sale-locations.³
- b) Forty-one cases involved the theft, damage, or loss of attractive property (laptop computers, tablets, smartphones, projectors, etc.) at PAHO Headquarters and in the country offices. The amount of these losses totaled \$24,830.18.
- c) Fraudulent transactions were made by people outside the Organization in connection with the use of purchase or travel credit cards assigned to six PASB staff members. The fraudulent charges, totaling \$2,436.95, were reimbursed in full by the financial institutions that issued the purchase or travel cards.

49. Figure 8 shows the number of cases of fraud, theft, or loss and the dollar amount of net loss to the Organization in 2008- 2017.

² Unless otherwise indicated, all monetary figures in this report are expressed in United States dollars.

³ Point-of-sale locations are required to indemnify PAHO for any theft or loss of any textbooks from their distribution sites; therefore, PAHO typically recovers such losses in full. In the event that such reimbursement is not effected, the agreement with the point-of-sale location is terminated and the outlet is removed from the list of eligible distributors.

Figure 8. Cases of reported fraud, theft, or loss, and dollar amount of new loss, by year, 2008–2017



50. As shown, the number of reports nearly doubled in the last year, while net losses remained relatively low in 2017, amounting to \$24,830. The increase in the number of reports is likely also due in part to increased outreach efforts by the Ethics Office in 2017, better inventory management, and more streamlined processes in the PASB Management Information System (PMIS).

Other Actions and Initiatives

51. In 2017, the Ethics Office automated its Declaration of Interests questionnaire, which requires designated staff to disclose any activity that may give rise to a conflict of interest with the work or mandate of the Organization. The questionnaire was issued electronically to staff and will be reissued on a regular basis. The review of the responses from staff and determination of possible conflicts of interest is undertaken in-house by the Ethics Office.

52. The Ethics Office chaired a working group that reviewed the 16 recommendations of the Joint Inspection Unit (JIU) of the United Nations (UN) System on Fraud Prevention, Detection, and Response in United Nations System Organizations (2016), which assessed the fraud risk management programs of the UN System organizations and implementation of anti-fraud policies and procedures. The Ethics Office is leading the working group that has been tasked to develop a comprehensive anti-fraud and anti-corruption policy, among other initiatives. As part of this exercise, the Ethics Office will also review the PAHO whistleblower protection policy to ensure that it remains pertinent and up to date.

53. In addition, the Ethics Office managed an Organization-wide election for staff representatives on the PAHO Board of Appeal. Separate online platforms were created for both the call for candidates and the election itself. Over 1,650 votes were cast and a full slate of staff representatives from both the general service and professional categories was elected and appointed to the Board.

54. In 2017, the Ethics Office also finalized two contracts with outside service providers to significantly bolster its training program. The first contract gives the Ethics Office access to more than 2,000 training tools that are completely customizable and will help to drive real behavior change in the workplace. The second contract provides access to hand-held voting technology that allows for more interactive training sessions. These tools will increase the effectiveness of the Ethics Office's training program by providing more creative and engaging learning techniques and communication tools.

55. Given the importance of ethics in the workplace, it was decided to translate every policy, brochure, bulletin, and other reference document on the Ethics Office website into the four official languages of the Organization. This initiative will allow all personnel to have a proper understanding of these key documents in the language in which they are the most comfortable.

Future Actions

56. With the decision to separate the ethics and investigative functions, the Ethics Office will be rebranded and will start focusing exclusively on its advisory and outreach roles. In 2018, the Ethics Office will work closely with the newly established Investigations Office to ensure a smooth transition of the cases and reports that were previously handled by the Ethics Office. It is anticipated that the Investigations Office will be fully staffed and operational by mid-2018.

57. The Ethics Office has developed an in-house staff survey to gauge the level of staff awareness of the ethical climate in PAHO and the work environment in their respective units. This survey was finalized, but it was not issued because the World Health Organization issued a similar survey in 2017 to all staff worldwide, including PASB personnel. As a result, a decision was made to postpone launch of the survey until 2018.

58. The Ethics Office will dedicate significant efforts to fraud prevention and control in 2018, following the recommendations of the Joint Inspection Unit. Since the administrative officers at Headquarters and in the country offices and centers are a first line of defense against fraud and corruption, the Ethics Office will be organizing a conference, in conjunction with other interested offices, to highlight their central role in helping to prevent and detect possible fraud and corruption and in safeguarding the resources and assets of the Organization.

59. The “#MeToo” movement spread virally in October 2017 as a hash tag on social media to help demonstrate the widespread prevalence of sexual assault and harassment,

especially against women in the workplace. While PAHO has not experienced any known cases of sexual assault, it has not been immune to allegations of sexual harassment. In 2018, the Ethics Office will embark on a campaign to make it clear that: *a)* sexual (and other forms of harassment) will not be tolerated in PAHO; *b)* people should not be afraid to speak up if they are subject to harassment and will be protected by the Organization; and *c)* everyone who works in PASB deserves to be treated with dignity and respect.

60. For the last several years, the Ethics Office has contemplated a revision of the Code, which was issued in 2005. With additional staffing and without the significant time commitment associated with conducting investigations, the Office will now be able to undertake a comprehensive review of the Code to bring it up to date and make it more visually appealing.

61. Finally, the Ethics Office will develop a quarterly newsletter to highlight ethical issues that occur both within and outside the Organization. This initiative is part of a concerted strategy to keep PASB personnel sensitized to the importance of ethics in the workplace and of the consequences of unethical behavior.

Action by the Executive Committee

62. The Executive Committee is invited to take note of this report, solicit additional information or clarification on the work and activities of the Ethics Office in 2017, and provide additional guidance to the Organization as it sees fit.

Annex



ANALYTICAL FORM TO LINK AGENDA ITEM WITH ORGANIZATIONAL MANDATES

1. **Agenda item:** 3.5 - Annual Report of the Ethics Office for 2017
2. **Responsible unit:** Ethics Office (ETH)
3. **Preparing officer:** Mr. Philip MacMillan
4. **Link between Agenda item and [Sustainable Health Agenda for the Americas 2018-2030](#):**
Not applicable.
5. **Link between Agenda item and the [Strategic Plan of the Pan American Health Organization 2014-2019 \(Amended\)](#):**
Category 6: Corporate Services/Enabling Functions
Program Area 6.2: Transparency, Accountability, and Risk Management
Outcome 6.2: PAHO operates in an accountable and transparent manner and has well-functioning risk management and evaluation frameworks
6. **Link between Agenda item and the [PAHO Program and Budget 2018-2019](#):**
Output 6.2.3: Improved ethical behavior, respect within the workplace, and due process across the Organization
7. **List of collaborating centers and national institutions linked to this Agenda item:**
Not applicable.
8. **Best practices in this area and examples from countries within the Region of the Americas:**
Not applicable.
9. **Financial implications of this Agenda item:**
This Agenda item has no specific financial implications, but the Ethics Office continues to rely on the requisite level of funding to enable it to fulfill its mandate.