

**"Everything you need to know  
about Ethics"**

**Iowa Municipal Management  
Institute**

**March 2015**

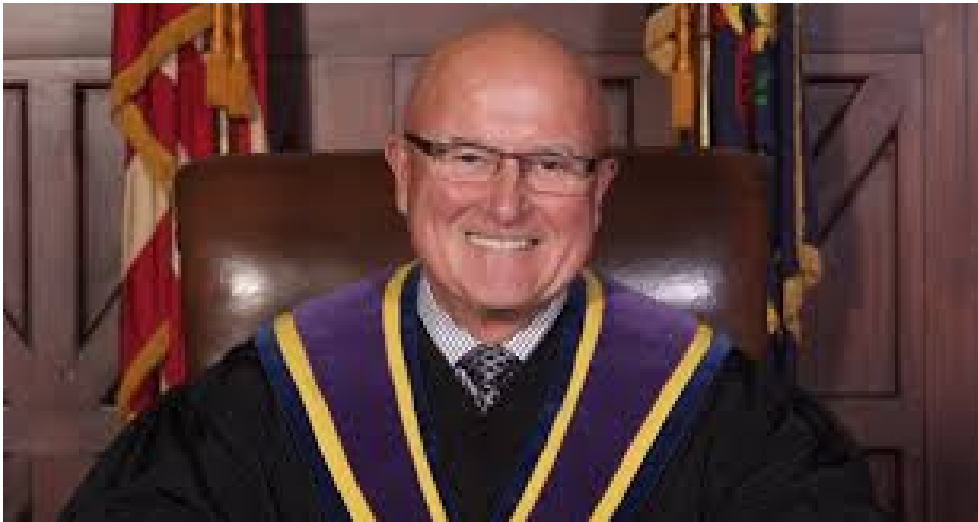
**Martha Perego**

**ICMA Director of Ethics**

# Ethics is an everyday issue



# For many public officials



# The Ethics Challenge

USE THE RIGHT **VALUES**

THE RIGHT **WAY**

TO ACHIEVE THE RIGHT **OUTCOME**

# The Ethics Challenge

THERE IS

NO RIGHT WAY

TO DO

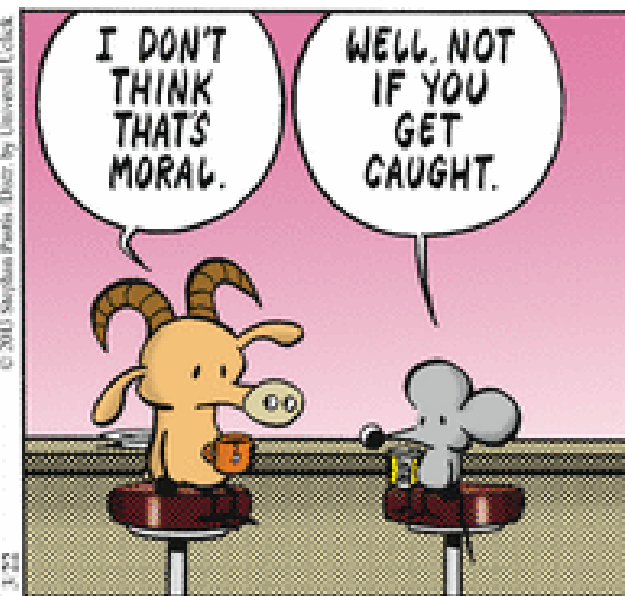
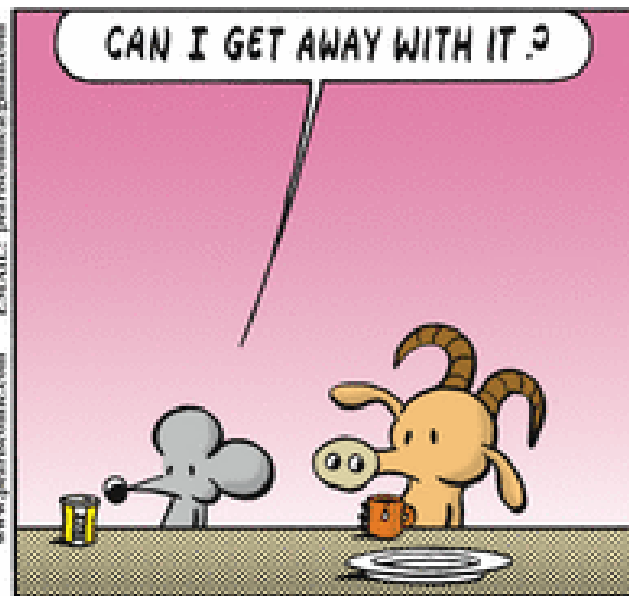
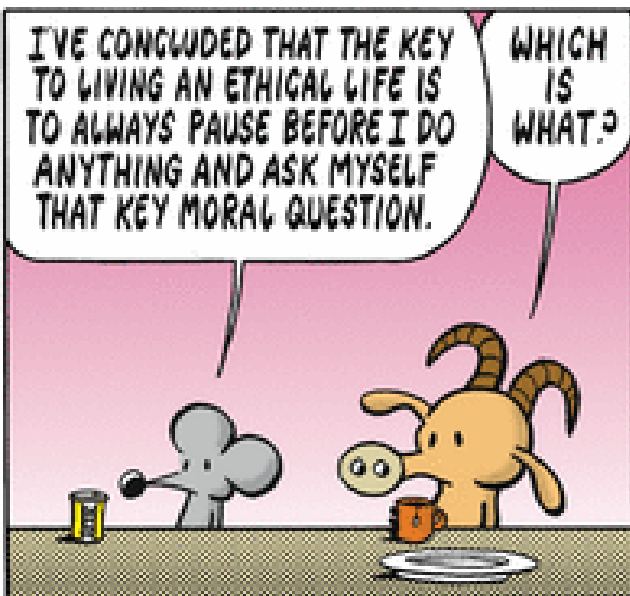
A WRONG THING



# The Ethics Challenge

- There are many ways to do the right thing the wrong way
- The “right to do something” doesn’t mean that it is right to do
- Private virtue is not necessarily public virtue
- Not always about right versus wrong values

# An Alternative Approach



# The leader's responsibility

1. Your personal conduct
2. What others did that you knew about
3. What others did that you didn't know about
4. What you do next



# What about this approach?

- <http://www.newsy.com/videos/twitter-ceo-on-handling-of-trolls-we-suck/>

# Why we miss the mark

- We don't think enough about the values ( i.e. ethics) that really matter
- Values don't enter into the equation for conduct or decision making

# The Ethical Challenge

- Culture matters!
  - Actions speak louder than words
  - What is and is not informally talked about is important
  - What conduct/behavior do we reward?
- Lack a leader who believes in ethical decision making? The organization will not act ethically.

# Why we miss the mark

- We can easily “fool ourselves” when facing an ethical challenge
  - View facts thru our individual lens or bias
  - Group think and “bias to please” lead us down the wrong path
  - Rationalize our behavior



# Blind Spots

“When it comes time to make a decision, our thoughts are dominated by thoughts of how *we want* to behave; thoughts of how we *should* behave disappear.”

Max H. Bazerman & Ann E.  
Tenbrunsel, “Blind Spots”

# Common Issues

- ✓ Leveraging the position for personal gain
  - ✓ Favors, favoritism, gifts
- ✓ Little white lies, bold faced lies, cover ups
- ✓ Improper compensation
- ✓ Misuse of city/county credit cards
- ✓ Personal relationship with an employee
- ✓ Improper political activity

# Is it ok to...

- Participate in the 2016 Presidential caucus process?
- Sign a petition for a candidate running for county commission?
- Attend the mayor's victory party?
- Write a letter to the editor in support of a bond referendum?
- Give a donation to an issue oriented PAC?

# New! Personal Advocacy of Issues

“Members share with their fellow citizens the right and responsibility to voice their opinion on public issues. Members may advocate for issues of personal interest only when doing so does not conflict with the performance of their official duties.”



# Common Issues

- ✓ Conflicts of interest
  - ✓ 3 D Test: Discern, Disclose, Disengage
- ✓ Endorsements
- ✓ Questionable personal conduct
  - ✓ You said that?
- ✓ Lack of transparency



## **“Report Puts City Among Elite Group of Frauds”**

**“ A culture of obfuscation and denial so corrupted San Diego's financial management that its meltdown reached the historic levels of such poster children of governmental and corporate malfeasance as Orange County, Enron and WorldCom...”**

**Aug. 9, 2006**

# ICMA Code Review

Voting now for a new Tenet 12

- **Current:** Seek no favor; believe that personal aggrandizement or profit secured by confidential information or by misuse of public time is dishonest.
- **Proposed:** Public office is a public trust. A member shall not leverage his or her position for personal gain or benefit.

# What should we tackle next?

- **Tenet 2: Social Responsibility**
  - Improper contact with elected officials
- **Tenet 3: Integrity**
  - Appointment commitment
  - Seeking employment/dealing with the incumbent

# What should we tackle next?

- **Tenet 4: Serving the best interests of the people**
  - Two year tenure
- **Social media**
- **Other topics**

# Right Question = Good Outcomes

**The Law:** Is it legal? Does it meet the spirit of the law?

**The Rules:** Am I violating or breaking a rule/policy that everyone else must follow?

**Integrity:** Am I breaking my word, a trust, a promise, or a value?

**Appearances:** Do I have a personal interest in fact or appearance? Will I benefit from the decision I am about to make? Am I the only or prime beneficiary of an offer or service?

**Clear Thinking:** Is emotion or bias clouding my judgment?

**Perspective:** When I look back on this situation, will I be proud of my conduct? Is it my finest hour or one I might regret?



# Strategies for Building an Ethical Organization

- ✓ Be clear that “how” we achieve results matters
- ✓ Hire people with strong ethical values

# The Right Who

In looking for people to hire, look for three qualities: integrity, intelligence and energy. And if they don't have the first, the other two will kill you.

Warren Buffet





# Strategies for Building an Ethical Organization

- ✓ Have good policies
  - ✓ Social media
  - ✓ Conflicts of interest
  - ✓ Travel
  - ✓ Nepotism
- ✓ Encourage reporting

# Chesterfield County VA

## How to report fraud, waste and abuse

1. **In person**
2. **By phone:** Fraud, Waste and Abuse Hotline accessed 24/7. Callers may remain anonymous. Caller ID and call back features have been disabled to maintain confidentiality.
3. **By FAX:** Complete and print our [Reporting Form](#)
4. **By Mail:** Complete and print our [Reporting Form](#)
5. **Online:** Complete and submit the [Secure Online Reporting Form](#).

# Support Systems

- ✓ Discussing ethical issues works
  - ✓ Ethics training
  - ✓ Regular conversations on “ethics in the trenches”

# Be sincere



# Support Systems

- ✓ Provide counsel and advice
  - ✓ Acknowledge that you too seek counsel on the tough issues
- ✓ Properly address unethical conduct

# Dealing with unethical conduct

- ✓ Assume positive intent
- ✓ Get all the available facts
- ✓ Escalate review as appropriate
- ✓ Match the response to the violation
  - ✓ Nature of the violation
  - ✓ Clear standards and training?
  - ✓ Prior violations/willfulness
  - ✓ Level of responsibility
- ✓ Recover and rebuild



# Strategies for Building an Ethical Organization

- ✓ How are we doing?
  - ✓ Employee surveys
  - ✓ Cultural assessments
- ✓ Revisit the strategy

# IaCMA Code

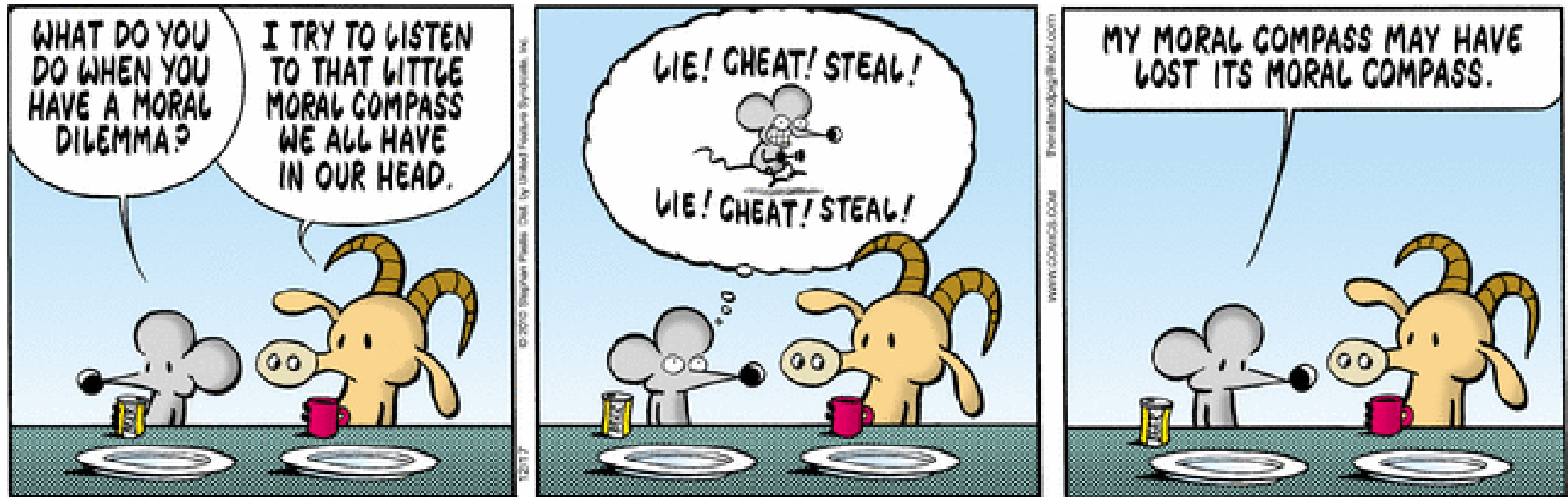
- Tenet 7: Partisan political activities that impair performance
- Other elections: Should not participate if it involves a representative from your area
- Running for office: Don't compromise your professional integrity by running



# Leaders.....

- Set the tone and model the conduct you want to see in others
  - You are always on active duty
  - Don't walk by something wrong
  - Don't create ethical dilemmas for others
- Be clear that “how” we achieve results matters
- Moral Compass points North

# Where is true north???



# When An Ethical Problem Comes to Light, Be Ready to Answer.....



- What did you know?
- When did you know it?
- What did you do about it?

# Ask Yourself



- ✓ Can you live with your Google legacy when it hits the media?
- ✓ Are you being candid or just answering the question asked?
- ✓ Will you think well of yourself when you look back on this decision in ten years?
- ✓ Ask before you act.
- ✓ If you have to think twice about it, don't do it?

## ICMA Ethics Resources

- Ethics Matter! Monthly PM column
- Ask before you act! Contact ICMA for confidential advice
- Ethics training for local government elected officials, boards and commissions, leadership and staff.

# Preserve the Intangible

“It takes 20 years to build a reputation and five minutes to ruin it. If you think about that you’ll do things differently.”

Warren Buffett