

# “It’s a Small World After All”

*there are NO secrets when it  
comes to ethics*

*...and that includes YOU!*

Dave Childs, ICMA Past President,  
and retired City Manager  
CSMFO Conference 3/4/2106



# Media Culture & Coverage

---

- **Feeding the beast 24/7**
- **No insignificant stories and certainly no insignificant transgressions**
- **Ethical scandals in corporate, government, and civil society keep issue magnified in the public eye**



# Ethics and the Fishbowl

---

**“Giving some people a credit card is like giving a monkey a hand grenade.”**

Remarks from Chincoteague, VA resident “Old Buck” Kambarn, after learning that the Town Manager and two other top officials lost their jobs because they used the Town credit card for fun and food in Florida rather than attending the conference on hurricanes that the Town had sent them to.



# Living Large on the County

---

- **Former County CEO charged \$230,000 to County credit card in six years...**
  - **\$3,000 for a three-day stay in NYC: \$650 a night, \$220 for a massage and \$70 for a pedicure**



# Personal Conduct Matters

---

- **Director had affairs with multiple subordinates**
- **Rumors abound: Board members counseled him; he denies it**
- **Employees complain to Board: no change**
- **Employee sues and wins: created hostile work environment**



# Why Ethics and Values Matter

---

- **Is everyone using the same playbook?**
- **Bad stories undermine the profession**
- **Personal reputations are destroyed**
- **Loss of public trust**



# ...Your Reputation

---

**“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



# The Ethical Challenge

---

- **Many do not reflect carefully enough to identify ethical challenges**
- **Don't evaluate impact of alternatives**
- **You can easily “fool yourself” when facing an ethical challenge**
- **Lack a leader who believes in ethical decision making? The organization will not act ethically**

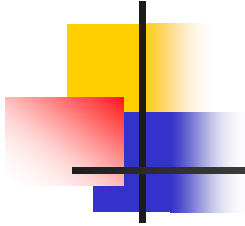




# The Ethical Challenge

---

- **Culture matters!**
- **What is and isn't talked about is important**
- **What conduct/behavior do we reward?**
- **Most people think they are more ethical than most other people.....**
- **Decision makers commonly engage in unethical behavior without realizing it**



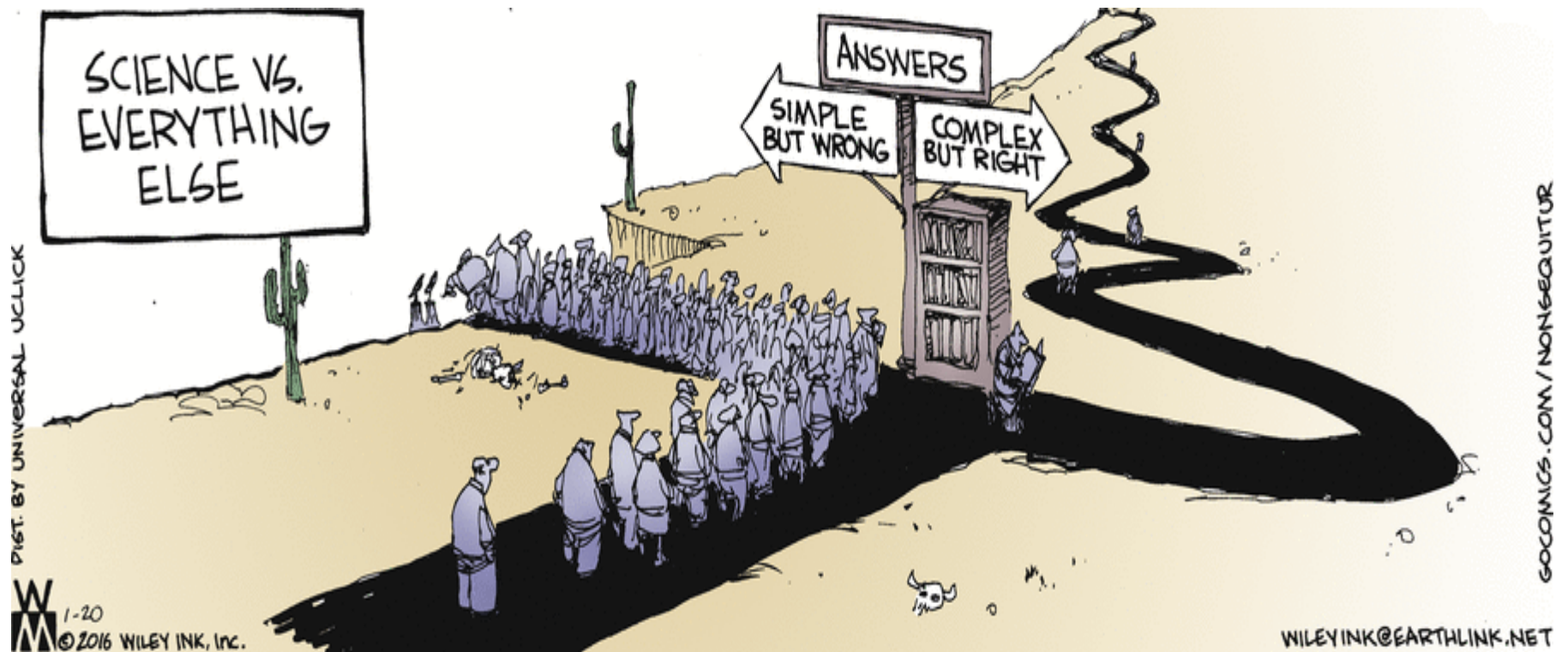
---

**Wow! This seems really hard, why isn't there just an APP for ethics?**

# Were It So Easy!



# This is the world of ethics ...and public policy



# Lesson #1:

## Think before you hit “send”



**Justine Sacco**

@JustineSacco



 Follow

Going to Africa. Hope I don't get AIDS. Just kidding. I'm white!

 Reply  Retweet  Favorite  More

**1,635**  
RETWEETS

**681**  
FAVORITES



10:19 AM - 20 Dec 13  from Hillingdon, London

# Lesson #1:

## Think before you hit “send”

---

- Facebook is not private
- Email is not private
- Instagram is not private
- Snapchat is not private
- Texts are not private



# **Lesson #2: It is easier to stay out than to get out**

---

- **Sign a petition for a candidate running for town council?**
- **Make a campaign donation to a friend running for school board in Nevada?**
- **My spouse wants to donate money to a city council member running for state legislature?**
- **Give a donation to an issue oriented PAC?**



# Lesson #3: Do it Right!

---

- **The city manager obtained a \$10,000 unsecured, below market rate loan from the City to use as a down payment on a home**
- **The loan was never approved by City Council**
- **The DA's report revealed that the City Attorney had full knowledge of the loan but never advised the parties that it required Council approval**
- **Finance issued the check!**



# **Lesson #4: Secrecy is a long odds strategy with no safety net**



---

- **While serving as the lead negotiator for the government during contract discussions, a member engaged in an undisclosed personal romantic relationship with the lead negotiator for the union**

## **Lesson #5:**

# **If it's too good to be true....**

---

**County Manager purchased four iPhones and one iPad for \$900...in cash paid to County IT Director**

- **“Everyone knew about it”**
- **“Ok because all County employees could do this”**
- **“We’ve done it before”**
- **“I trusted her”**

**Equipment was charged to County (\$2400) and the IT Director pocketed the cash!**



## **Lesson #6: Pigs get fat but hogs go to slaughter**

---

- **Village Administrator received:**
  - **\$450,000 in compensation**
  - **534 days of leave**
  - **A \$56,000 pension stipend for serving multiple positions in the organization**
  - **A \$56,000 salary stipend for serving multiple positions**



# **Lesson #7: What you do in your personal life matters**

---

- **Conduct unbecoming**
- **DUI**
- **Murky financial problems**
  - **Assistant Manager delinquent on real estate taxes on her home**



# Lesson #8

---

**You are not alone in this universe...**

***It's a Small World After All.....***



# **Lesson #9: Ignore conflicts of interest at your own peril**

---

- **Buying City property**
- **Family member seeking a job in your organization**
- **Seeking employment with a firm that may bid on a project or with a developer whose project is in the approval pipeline**
- **Outside employment with firms that do business with the City**



# Conflicts of Interest

---

- The *appearance* of a conflict of interest can be as serious as a conflict of interest in fact
- Publicly disclose any potential conflict of interest as early as feasible



## **Lesson #10: Don't be stupid!**

---

**“Genius may have its limitations, but stupidity is not thus handicapped.”**

Elbert Hubbard

Philosopher and writer





# Don't be Stupid

---

- **Surfing porn sites using a city laptop**
- **Lying about credentials**
- **Misuse of City credit cards**
- **Solicited campaign contributions for incumbents**



# Ethics and Success

---

- **There is no organizational success without ethics**
  - **Public office is a public trust**
  - **Trust is the product of a relationship**
  - **Innovation and risk thrive best in a tolerant environment, i.e. trust is high**



# Strategies for Building an Ethical Organization

---

- **Be clear that “how” we achieve results matters**
- **Have good policies**
- **Discuss ethical dilemmas**
- **Provide advice**
- **Conduct an ethics audit**
- **Don't punish the messenger !!!**

# What Ethics Means in Other Venues



---

- **Ethics Statement Example**
  - **Respect**
  - **Integrity**
  - **Communication**
  - **Excellence**
  - **Compliance**



# Respect

---

- **We treat others as we would like to be treated ourselves. We do not tolerate abusive or disrespectful treatment. Ruthlessness, callousness and arrogance don't belong here.**



# Integrity

---

- **We work with customers and prospects openly, honestly and sincerely. When we say we will do something, we will do it; when we say we cannot or will not do something, then we won't do it.**



# Communication

---

- **We have an obligation to communicate. Here, we take the time to talk with one another...and to listen. We believe that information is meant to move and that information moves people.**



# Excellence

---

- **We are satisfied with nothing less than the very best in everything we do. We will continue to raise the bar for everyone. The great fun here will be for all of us to discover just how good we can really be.**





# Compliance

---

- **Compliance with the law and ethical standards are conditions of employment, and violations will result in disciplinary action, which may include termination.**



# Vision and Values

---

- **We stand on the foundation of our Vision and Values. Every employee is expected to conduct business...keeping in mind respect, integrity, communication and excellence. Everything we do evolves from.....**



# Vision and Values

---

- **We stand on the foundation of our Vision and Values. Every employee is expected to conduct business...keeping in mind respect, integrity, communication and excellence. Everything we do evolves from.....Enron's Vision and Values statements.**

# Strategies for Building an Ethical Organization



---

- **Be clear that “how” we achieve results matters**
- **Have good policies**
- **Discuss ethical dilemmas**
- **Provide advice**
- **Conduct an ethics audit**
- **Don't punish the messenger !!!**



# Ethical Warning Signs

---

- **“No one will ever know...”**
- **“I can still be objective...”**
- **“I deserve it...” (or “They owe it to me...”)**
- **“Let’s keep this under our hats...”**
- **“Oh, don’t be such a prude...”**
- **“They’ll never miss it...”**
- **“They had it coming...” (or, “I’m just fighting fire with fire...”)**



# Ethical Warning Signs

---

- **“Don’t tell me, I don’t want to know...”**
- **“It’s okay if I don’t gain personally...”**
- **“Technically, it’s legal...”**
- **“Everybody does it...”**
- **“Yes, but...”**
- **“This won’t affect my work...”**

# Strategies for Building an Ethical Organization



---

- **Walk the talk**
- **Hire people with strong ethical values**



# The Right “Who”

---

**In looking for people to hire, look for three qualities:**

**integrity, intelligence and energy.**

**If they don't have the first, the other two will kill you.**

Warren Buffet





# Hire the Values

---

- **Integrate ethics into the personnel system**
  - **Recruit, promote and reward individuals who demonstrate highest standards of integrity and commitment**
  - **Performance evaluations and promotions should address ethical behavior**
  - **Link good conduct with the organization's reward and incentive structure**



# Values in the Operation

---

- **Ethical concerns must be integrated into the routine operations**
- **Be diligent in eliminating arbitrary or selective enforcement, favoritism, or abuse**
- **Programs and services demonstrate a commitment to serve all people**



# Values in the Operation (cont'd)

---

- **Public information is easily accessible and openly shared to reach all**
- **Have a mechanism to report violations of standards**



# Promote the Values

---

- **Publicly and consistently communicate the values to the public and stakeholders**
  - **Do employees and vendors understand the importance of arm-length relationships?**
  - **Do businesses demonstrate respect for organizational processes or do 'end runs'?**



# Reinforce the Values

---

- **Training and Enforcement**
  - **Orientation for new employees**
  - **Ethics training on compliance for all**
  - **Regular department/team conversations focused on ethical dilemmas**
  - **Conduct an “ethics audit” ...and act on it!**



# Be the Champion for Ethics

---

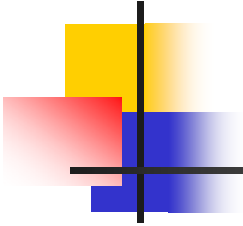
- **Organizational Code of Ethics or Conduct**
- **Celebrate exemplary behavior**
- **Conduct courageous conversations**
  - **Chart the correct course**
  - **Provide clarity**
  - **Acknowledge that you too seek counsel on the tough issues**

# 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?
- Is it keeping you up at night? If you have to think twice about it, don't do it!



# The Last Word

**There is only one way to  
achieve happiness on this  
terrestrial ball,**



**And that is to have either a clear  
conscience or none at all.**

Ogden Nash