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**Ethics Matter!**

**What to Consider When an Ethics Crisis Threatens to Derail the Organization**

It’s such a common scenario and yet so painful to watch unfold. It starts with the initial inquiry, rumor, or report of questionable conduct by a public official or agency. Next the response, almost always issued by a spokesperson, offering a denial, counter explanation, or vague statement of concern.

The second shoe drops when diligent reporters or sources disclose more damaging facts that elevate the seriousness of the allegations or call into question the veracity of those initial responses. With the heat up, the official or agency leader responds *in person* with a pledge for an investigation in order to “get to the bottom of it” and a commitment to do whatever is necessary to ensure that this never happens again.

Then . . . silence. The lack of action inspires prodding from the editorial page for leadership to do something! Long after the issue has faded from the front page, a final report is issued. It may include reference to new procedures, discipline or removal of the guilty parties, and perhaps a leadership change as the agency “seeks to move in a new direction.”

What’s missing? No mention of decisive and timely action that would reassure everyone that the agency leadership was committed to rooting out unethical or corrupt conduct, understood the systemic weakness that allowed it to happen in the first place, and took concrete steps to a prevent recurrence.

There isn’t a standard playbook for handling a scandal or ethics crisis because unique circumstances will dictate the approach. That said, here are some basic steps to take to get on the path to successful recovery and reduce the likelihood that the organization leaders will stumble in their response.

**Don’t ignore concerns that are voiced or reports of misconduct regardless of the source.** One agency uncovered fraud by very senior-level department staff after a new employee joined the team, observed improper conduct, and reported her concerns directly to the city manager.

**Drop the defenses.** When you have confidence in your staff and operations, it’s easy to get defensive. It’s better to be as open as possible and publicly acknowledge that the issue is really worthy of concern and then outline the process you will employ.

**Conduct a thorough, expeditious investigation before taking action.** It’s hard to be fast and fair, but it’s important to balance both. Critical time is often lost at the dawn of the crisis as leaders ponder the public relations fallout, whether the issue is even worthy of review, and what to do next.

On the other side of the equation are decisions made (and later reversed) based on an initial but incomplete set of facts. Critical to the validity of the investigation is the “who.” Refer matters outside the agency or use a third-party investigator for allegations of misconduct by senior leadership or when the independence of the investigator could be called into question—police investigating misconduct within their own agency, for example.

**Be relentless in the investigation.** An audit may initially reveal information related to the original allegation, but if it doesn’t all make sense or add up, keep going. As one colleague with direct experience put it: “If what you find defies logic, you don’t have all the relevant information.”

**Trust but verify.** Source aside, this advice works for organizations. We place great trust in our employees, and that trust is reinforced when no evidence of misconduct has ever been presented. But the onus is on leadership to have proper internal controls and conduct appropriate reviews. Compliance and audit standards exist because they work.

The long-tenured employee who is so dedicated that he never takes leave, the workhorse who rejects all offers of assistance or backup, the nice but seemingly disorganized staff member who never has the required support documentation, and the supervisor who deflects questions about the details of her operations are warning signs of a problem that should be heeded.

**Pay attention to the wounded afterward.** That may be practically everyone in the organization. Staff outside the area where the bad conduct occurred may be really angry about the damage done to their reputations. Those closer to the situation may be anxious about their employment status. And senior leadership may be left wondering how this could have happened on their watch.

In order of priority, communication should go to the governing body first, staff second, and then to the public. That way, those closest to the situation are not surprised by any disclosures of wrongdoing and understand what the organization will do to recover.

The need to respect privacy with regard to personnel actions should not keep leadership silent about the matter. Use the crisis as an opportunity to reaffirm the values that should drive everyone’s conduct.

Last, get out in front of the issue and be proactive. As Teddy Roosevelt said, “In any moment of decision the best thing you can do is the right thing, the next best thing is the wrong thing, and the worst thing you can do is nothing.”

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