



**Request for City Council Committee Action
From the City Attorney's Office**

Date: July 17, 2009

To: Ways & Means/Budget Committee

Referral to:

Subject: Semi-annual report on the Ethics Report Line Activity

Recommendation: That the Committee receive and file the semi-annual Report on the Ethics Report Line Activity.

Previous Directives: *July 21, 2006* - Resolution establishing a committee to evaluate the best mechanism for employee reporting of ethics and fraud issues.

January 12, 2007 – Staff direction to select a vendor for a fraud and ethics reporting line using a competitive procurement process.

May 12, 2008 – Staff direction to report back to Ways and Means./Budget Committee on a semi-annual basis.

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Phone: (612) 673-3230

Approved by:

Susan L. Segal
City Attorney

Presenter in Committee: Susan L. Trammell, Ethics Officer

Financial Impact (Check those that apply)

- No financial impact (If checked, go directly to Background/Supporting Information).

Community Impact

City Goal(s):

- Build communities where all people feel safe and trust the City's public safety professionals and systems
- Strengthen City government management and enhance community engagement

Background/Supporting Information

The attached fact sheets describes activity of the Ethics Report Line since it went live on June 1, 2008.

Ethics Complaints and Ethics Report Line

Ethics Complaints 2008

The Ethics Officer received twenty-eight total complaints alleging violations of the Ethic Code during 2008. The complaints were reported in four ways:

- Ethics Officer – 9
- Ethics Report Line – 16
 - Internet (6)
 - Phone (10)
- Required reporting by department – 2
- 311 – Citizen reporting - 1

Twenty-three of the complaints related to employees and/or departmental actions and four were either not really complaints or were dismissed for lack of jurisdiction.

The subject matter of the thirty-one allegations¹ covered the entire Ethics Code as well as other management concerns:

- Improper use of City property or time – 7
- Respect in the Workplace Policy – 2
- Nepotism – 1
- Use/Disclosure of Information – 4
- Inappropriate Influence – 1
- Use of Official Position – 1
- Gifts – 2
- Employee Relations – 8
- Safety Issues – 1
- Other/Not a complaint - 4

The outcomes of the allegations were as follows²:

- Open, investigation pending – 3
- Discipline Imposed – 1
- Department changes made – 2
- Dismissed – 8
- Policy reviewed with staff - 2
- Coaching – 10
- Declined – 4
- Closed, Other – 4

¹ Some complaints contained more than one allegation so these numbers will not equal the number of complaints received.

² Some allegations had more than one outcome so the numbers will not equal the number of allegations.

Ethics Complaints and Ethics Report Line

Ethics Complaints 2009

Through June 30, 2009 Ethics Officer received 23 complaints alleging violations of the Ethic Code during 2009. The complaints were reported in 3 ways:

- Ethics Officer – 7
- Ethics Report Line – 11
 - Internet (4)
 - Phone (7)
- Required reporting by department – 5

The subject matter of the 38 allegations³ covered the entire Ethics Code as well as other management concerns:

- Improper use of City Property or Time – 21
- Gifts – 4
- Respect in the Workplace Policy – 4
- Use of Official Position – 2
- Conflict of Interest – 2
- Employee Relations – 2
- Outside Employment – 2
- Post Employment - 1

The outcomes of the allegations were as follows⁴:

- Open, investigation pending – 13
- Dismissed – 14
- Policy reviewed with staff – 6
- Discipline imposed – 1
- Coaching – 3
- Department changes made - 1

Ethics Report Line Activity

Of the 23 Complaints received in 2009, 11 were made via the Ethics Report Line. Complaints made through the Ethics Report Line are handled in the same manner as complaints reported via other methods. Once received, the complaints are forwarded as required by the Ethics Code to the appropriate official for investigation. For employees other than department heads, the appropriate official is usually the Ethics Liaison and Human Resources Generalist for the

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applicable department. The Ethics Officer contacts the departmental liaison each month to check on status of the report.

The Network tracks statistics related to the reports made through its clients' compliance lines:

Original Incident Reports 2009	% City Ethics Line Reports	% The Network Compliance Line Reports
Anonymous Reports	71.4%	49.1%
Non-Anonymous Reports	28.6%	50.9%
Escalated Incident Reports	0%	1.8%
Previously Reported to Management	14.3%	30.8%
Caller Callbacks	0%	9.0%

Complaints received via the Ethics Report Line are more likely to be made anonymously than complaints received in other manners. The City's anonymous reporting is significantly higher than that of the Network's other clients. Anonymous reporters are instructed to re-contact the Network after a designated period of time to answer any questions the assigned investigator may have for the caller. The City's anonymous reporters have not been re-contacting the Network.

The Network also tracks the allegations raised in a report made through the Ethics Report Line:

2009 Allegations through June 30, 2009	Number City Allegations (all reporting mechanisms)	% City Allegations	% The Network Compliance Line Reports
Use of Property/Time	21	55.3%	6.9%
Conflict of Interest	2	5.3%	3.0%
Use of Official Position	2	5.3%	N/A
Post Employment	1	2.6%	N/A%
Outside Employment	2	5.3%	N/A
Harassment/Discrimination (Respect in the Workplace Policy)	4	10.5%	14.4%
Employee Relations	2	5.3%	75.6%
Gifts	4	10.5%	N/A%

The Network categorizes the use of official position, post employment, outside employment and issues in a combined category of conflict of interest issues. The percentage of Network clients

reporting complaints of improper gifts is not available for 2009 year –to –date but for calendar year 2008, the Network percentage was 0%.

The Network is in the process of upgrading its management and executive reports to compare report type by industry designation. The upgrade will permit comparison of the City's Ethics Report Line allegations with The Network's other governmental entity clients. This information should be available for calendar year 2009 reporting.

Ethics Report Line marks first year of operation

The City's Ethics Report Line just marked its first year of operation. The service, which debuted last June, introduced a confidential option for employees to report concerns about possible workplace fraud, theft or policy violations. (Previously, City employees could report concerns to their supervisor or the City's Ethics officer; the Report Line utilizes an outside vendor to take reports about possible illegal or unethical activity.)

According to the Ethical Practices Board's annual report, a total of 28 complaints alleging Ethics Code violations were reported in 2008. Of that total, 16 complaints came in through the Ethics Report Line. Because some of the 28 complaints had more than one allegation, the total number of allegations in 2008 reached 31. The majority of the allegations had to do with improper use of City property or time or employee relations.

Outcomes of the 31 allegations made in 2008:

- 3 resulted in departmental changes
- 1 resulted in disciplinary action
- 10 resulted in coaching or policy review with staff
- 8 were dismissed after investigation
- 6 are still under investigation
- 8 were closed for various reasons, including that the allegation did not relate to the Ethics code.

In addition to the complaints, the City's Ethics Officer answered 147 ethics-related inquiries in 2008. While that total is just slightly higher than the 142 inquires made in 2007, the top three categories of inquiries — gifts, conflict of interest and statements of economic interest — remained unchanged from 2007 to 2008.

This year, 20 complaints alleging Ethics Code violations were reported between Jan. 1 and June 19, 2009. Because some of the 20 complaints had more than one allegation, the total number of allegations for the first six months of 2009 reached 35. Twenty of these allegations had to do with improper use of City property or time.

If you call the Ethics Report Line, a specially trained interviewer will document your concern and assign a report number to the issue. When you contact the Ethics Report Line, you can choose not to provide your name and your call is not recorded. The concern is then relayed to a City staff member for follow-up or investigation. You will also be given a date to call back for an update on the investigation.

The Network's Web-based report service works in a similar fashion. The Web visitor is guided through a series of online questions designed to elicit the same information that an interviewer would gather.

The confidential toll-free hotline can be accessed 24 hours a day, seven days a week by calling 1-877-563-1075 or visiting www.reportlineweb.com/Minneapolis.

Here's how the City investigates concerns about illegal or unethical activity:

- Ethics in Government concerns are directed to the City's Ethics Officer
- Respect in the Workplace concerns are handled by Human Resources
- Reports of possible fraud or waste are reviewed by the Director of Internal Audit.

Employees are always encouraged to first talk directly to their supervisor or manager about a workplace concern. The option to contact the City's Ethics Officer also remains available. Susan Trammel is the Minneapolis Ethics Officer and she can be reached at (612) 673-3230 or susan.trammell@ci.minneapolis.mn.us.

Problems that merit contacting a supervisor or calling the Ethics Report Line include:

- Violations of government regulations
- Violations of the City's Ethics in Government policy
- Destroying, altering or falsifying City records
- Withholding property requested public records
- Theft or fraud
- Creating or ignoring safety or environmental hazards
- Using or selling illegal drugs
- Misuse of City property or facilities
- Alcohol use while on duty
- Bribery
- Conflict of interest
- Threats to personal safety
- Accounting or auditing irregularities
- Harassment, discrimination or other violations of the City's Respect in the Workplace policy.