

Managing Ethical Issues of Members: The Path to PEACE

NCCAE Annual Meeting
Monroe County, Florida
October 2013





Public Corruption

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It's our top priority among criminal investigations—and for good reason.

Public corruption poses a fundamental threat to our national security and way of life. It impacts everything from how well our borders are secured and our neighborhoods protected...to verdicts handed down in courts...to the quality of our roads, schools, and other government services. And it takes a significant toll on our pocketbooks, wasting billions in tax dollars every year.

The FBI is singularly situated to combat this corruption, with the skills and capabilities to run complex undercover operations and surveillance.

In Depth

Issues and Initiatives

- State/Local Corruption
- Border Corruption
- Disaster Fraud
- Foreign Corruption
- Economic Stimulus Fraud/Corruption
- Election Crimes
- International Contract Corruption

Major Cases

- Hurricane Katrina cases
- Lively Green
- New Jersey Bust
- Operation Illwind
- Tennessee Waltz
- William Jefferson
- More

In the News



Public Corruption
A Texas judge earned time in jail for using his courtroom to line his pockets. [Details](#)

More News & Features

- 09.20.13 Atlanta:** County deputy sheriff arrested on charges of distributing marijuana.
- 09.12.13 Knoxville:** Mayor pleads guilty to conducting illegal gambling business at convenience store he owned.
- 09.09.13 San Diego:** CBP officer gets six years for accepting bribes to let aliens enter U.S. illegally.

[More press releases](#)

Report Corruption Now

Submit an Online Tip
Call our Local Corruption Hotlines

- | | |
|------------------------------------|-------------------------------------|
| - Katrina Fraud: (800) CALL FBI | - Omaha, NE: (402) 492-8888 |
| - Birmingham, AL: (877) 628-2533 | - Philadelphia, PA: (855) FBI-TIPS |
| - Cincinnati, OH: (614) 744-2139 | - Pittsburgh, PA: (412) 432-4122 |
| - Columbia, SC: (803) 561-4200 | - Portland, OR: (503) 460-8585 |
| - Denver, CO: (888) 232-3270 | - Puerto Rico: (877) FBI-SJPR |
| - Indianapolis, IN: (317) 845-4812 | - Richmond, VA: (804) 627-4597 |
| - Jacksonville, FL: (888) 722-1225 | - Sacramento, CA: (855) 466-7243 |
| - Knoxville, TN: (888) 678-6720 | - San Diego, CA: (877) NO-BRIBE |
| - Little Rock, AR: (501) 221-8200 | - San Fran., CA: (800) 376-5991 |
| - Los Angeles: (855) 5 BRIBES | - Springfield, IL: (877) U-TIP-OFF |
| - New Orleans, LA: (504) 316-3000 | - U.S. Virgin Islds: (340) 774-9296 |
| - New York, NY: (212) 384-1000 | - More Local FBI Offices |

50 States and No Winners

www.stateintegrity.org

Grading the nation: How accountable is your state?

By Caitlin Ginley  email 12:01 am, March 19, 2012 Updated: 12:26 pm, January 14, 2013



RITY

RITY
& Corruption

o International

January 2010

Former Dixie County Officials Sentenced to Federal Prison

~Press Release, U.S., Attorney's Office, January 14, 2010

(accepted bribes in exchanges for votes on business pending before the county commission)



February 2010

Ex-Dixie County attorney gets 87 months in fraud case

~Gainesville Sun, February 5, 2010

(seven year sentence on 11 federal counts of money laundering and six felony county of mail fraud in a case involving a start-up vitamin company and two land developments)



May 2010

Former Levy County Commissioner Gets Jail Time

~Citrus County Chronicle, May 4, 2010

(accepted a bribe from an undercover FBI agent; 32 months sentence)

May 2010

Former Broward Commissioner [] Gets Brief Reprieve On Going to Prison

~Sun Sentinel, May 5, 2010

(28 months federal and state sentences, running simultaneously, for conspiring to launder money and filing a false tax return)

August 2010

Former Palm Beach County Commissioner [] Pleads Guilty to Extortion, Perjury, Gets No Jail Time

~Palm Beach Post, August 5, 2010

(one felony count of extortion; one misdemeanor county each of perjury and violating open meetings laws)



November 2011

Palm Beach County Politics' History of Corruption

~Palm Beach Post, November 28, 2012

(chronicling a four year period in which six county commissioners, all but one of whom served real prison time)



August 2013

County Attorney Charged with Wire Fraud, Other Alleged Offenses

~Jackson County Floridian, August 7, 2013

(allegations of conspiracy to commit wire fraud against the FDIC, seven counts of wire fraud, three counts of making false statements to the FDIC and one count of aiding and abetting a false claim against the United States)

September 2013

Commissioner [] Resigns After Federal Wire Fraud Charge

~www.nbc-2.com, September 23, 2013

(alleged misuse and failure to report use of campaign funds; using such funds for personal expenses like shopping)



Internal and External Impacts of this Environment

- Internal, Direct Impacts
 - Within the state association
 - Among members
 - Between members and the association
 - Between members and association staff
 - Between the association and other groups
- External, Direct Impacts
 - Members as elected/appointed officials
 - Public trust
 - Negative impacts on individual communities

Profile of a Politician

- “Politicians are more likely than people in the general population to be sociopaths.”
- Identified dominant personality traits:
 - Lack of guilty
 - Fearlessness
 - Interpersonal dominance

~Huffington Post, 9/13/12, Psychopathic Personality Traits Linked With U.S. Presidential Success, Psychologists Suggest

Positive Personality Traits of Politicians

- High achievers
- Used to respect of the office
- Well connected (business, religious, education, community)
- In positions to ask for and receive favors
- Smart
- Hard working
- Community minded
- Energetic
- Change Oriented
- More comfortable with conflict
- Competitive

Association Assistance for External Ethical Impacts

- Education
- Training
- Grassroots Movements for Local Ethics Commissions
- Culture of Ethical Expectations

- Effectiveness -- ?

Personality traits of “staff” of politicians

- Equilibrium
- Stability
- Prevent chaos
- Longer range vision: understand pros/cons of ideas better than elected officials
- Broader perspective
- Team players
- Persuasion oriented

~Canadian Public Administrators Journal, “Personality Traits of Municipal Politicians and Staff,” June 2007

None of these Personality Traits Get Checked at Your Door

- Tension between two categories
- Transparency
- Public Records
- Open Meetings
- Local Politics
- Leadership Impacts
- Association offers a statewide and national podium

Do Ethics Help When

Your president keeps calling, wanting you, as ED to switch the association's banking services to a local bank to which she is a member of its Board of Directors?

(then came an investment policy)

Do Ethics Help When

Your president is running for NACo 2nd VP and raising campaign contributions on his own, from corporate sponsors of the association, and on "behalf of" the association. Your enterprise director calls to schedule a friendly lunch with one of the association's tradition sponsors, to begin the process of courting for the next year's corporate partners program only to be told, "I just gave your President \$10K" for you already. Hmmmmm

(then came a fundraising policy)

Do Ethics Help When

Your incoming president's girlfriend calls your staff to inform them that the couple is planning to use the Annual Conference at which the president will be installed as their wedding venue and the President's reception as the wedding celebration party.

(then came gratitude when all that happened was he publicly asked his girlfriend to marry him at his installation luncheon)

Do Ethics Help When

Your president is part of state and federal investigations into corruption, wearing a wire and so medicated for anxiety that he is completely incapable of serving as president

(then came a willing president-elect capable of handling meetings and events)

Do Ethics Help When

You have an alcoholic Board member who may fall off the charter boat you have for the Board dinner

(then came staff assigned to be body guards)

You have an alcoholic Board member who, after multiple successive public displays of drunkenness ends up with the police being called because of their behavior at the conference hotel

(then came the gentle conversation, "you need to resign from the Board")

Do Ethics Help When

A former President is prosecuted criminally and brought up on ethics charges for triple dipping reimbursements for NACo Board travel (to the county, to the association, and to his employer). Association strokes a check for \$150K for a share of the commissioner's defense costs.

(then came D&O insurance)

Do Ethics Help When

Your president is indicted on federal charges, after months of investigation. She is removed by the governor from office and (obviously) is removed de facto from your Presidency.

(then came crisis communications)

No Magic Pixie Dust but there is PEACE

- **P**rotection
- **P**olicies, Procedures
- **E**ducation
- **A**nd (☺)
- **C**ulture
- **C**ommon Sense
- **C**ompassion
- **C**ommunications

Path to PEACE



Protection

- Insurance coverage
 - Directors & Officers Liability
 - Employment Practices
 - Employee Theft
- Capable Counsel
- Solid, latest anti-harassment and retaliation policies in place and follow them

Policies, Procedures

- Conflict of interest
- Fundraising
- Codes of ethics
- Director and officer removal processes
- Executive compensation/review process
- Attendance requirements at Board meetings
- Independent finance & audit committee
- Whistleblower protections, strong anti discrimination and harassment policies
- Strong internal spending
- Travel and entertainment spending controls

Education and Training

- Annual Board training on corporate ethics, corporate policies
- Be mission driven (fiduciary duties, public trust, “greater good” focus)
- Tie the conflict of interest policies, codes of ethics, removal as penalty for violating ethics codes to CORPORATE fiduciary duties
- Education/training on public ethical duties and responsibilities: six hour classes multiple times a year; local workshops by staff; use conference opportunities

And



Culture

- Tone at the top
- Tone in the middle
- Tone at the bottom
- Have high expectations
- Uphold the expectations
- Respect

Common Sense

- Listen

(know what is going on with your members; who is in trouble; who might be in trouble -- not gossiping; this is preparation and understanding what your leaders are up to)

- Be careful

(“if you can’t be good, be careful”; Billboard Rule; open bar tabs; staff limited on buying alcohol)

- Reasonable flexibility

(need to be flexible in approach but not arbitrary)

Compassion

- Many of your members become life-long friends
- You, as ED, are in a position to help them
- Your members are human

Communications

- Crisis communications plans (or staff who can handle)
- Make expectations of behavior known to members and staff
- Talk to your officers and key directors more often than you might like to

Path to PEACE

- In the end, you are seeking and creating a balance between energy and stability; conflict and compromise; change and stagnation; initiative and protection; policies and flexibility; training and common sense
- Balance is difficult to achieve but necessary to attempt to attain

Or, Fix Your Drink of Choice, Grab a Snack,
and Float Off into the Sunset

