

# 172nd SESSION OF THE EXECUTIVE COMMITTEE

Washington, D.C., USA, 26–30 June 2023

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*Provisional Agenda Item 3.6*

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## REPORT OF THE INVESTIGATIONS OFFICE FOR 2022

### Introduction

1. The Investigations Office (INV) was established on 1 January 2018. INV plays a key role in fostering good governance of the Organization by conducting administrative fact-finding investigations into allegations of wrongdoing involving the Pan American Sanitary Bureau (PASB) personnel or third parties who perform services or activities contracted or financed by the Pan American Health Organization (PAHO). Findings and conclusions issued by INV provide management with a factual basis upon which to make informed decisions and take appropriate action, disciplinary or otherwise. Prior to 1 January 2018, the investigative function was performed by the Ethics Office.
  2. Staff assigned to INV must demonstrate personal integrity, objectivity, and confidentiality, and INV must perform its mandate without external influence. Investigators in INV are all certified fraud examiners, and INV has in-house language capability in three of the four official languages of PAHO: English, Portuguese, and Spanish.
  3. To allow for an independent exercise of its functions free from reprisal and outside influence, INV has a direct reporting relationship with the Governing Bodies of PAHO through the Executive Committee. In addition, INV has a reporting relationship with the Deputy Director of PASB for administrative matters and receives advice from the Audit Committee. In the performance of its duties in 2022, INV did not encounter any interference with its independence, nor did it meet any obstacles in terms of the scope of its work and its access to records and information.
  4. Investigations undertaken by INV are strictly administrative in nature and are intended to uncover the facts in an impartial, objective, and timely manner. Allegations or concerns about suspected wrongdoing may be reported to INV through various channels, including by email to [investigations@paho.org](mailto:investigations@paho.org) and through the PAHO Helpline. The PAHO Helpline is administered by an independent outside company and provides a secure line of communication accessible through a dedicated and secure website. The PAHO Helpline is available in the Organization's four official languages and allows parties or uninvolved observers to submit reports anonymously, if they wish, without fear of retaliation.
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5. In addition to its primary function, INV serves as secretariat of the Standing Committee on Asset Protection and Loss Prevention (APLP).<sup>1</sup> The APLP meets quarterly to discuss cases of fraud, theft, and loss of PAHO property.

6. The Investigations Office is also a member of the PAHO Integrity and Conflict Management System (ICMS).<sup>2</sup> The ICMS brings together all the offices in PASB responsible for addressing matters of organizational integrity and conflict resolution.

7. Additionally, the Chief Investigator chairs the Investigations Coordinating Committee, which also includes the Director of Human Resources Management (HRM) and the Legal Counsel. This committee is responsible for discussing allegations of wrongdoing and deciding on any interim actions that need to be taken to allow INV to complete an investigation and to protect the interests of staff and the Organization.

8. This annual report of INV outlines the work, achievements, and lessons learned in 2022. The areas covered include: *a*) reports of alleged wrongdoing that were received and investigated; *b*) awareness raising; *c*) lessons learned from investigations; and *d*) future actions that will be taken to further enhance the integrity and reputation of the Organization and PASB personnel.

### **The Investigations Office in 2022**

9. In 2022, INV conducted investigations into allegations of wrongdoing including fraud, harassment, sexual harassment, and inappropriate workplace behavior, among other possible breaches of PAHO regulations, rules, and policies. Typical steps taken in an investigation include: *a*) preliminary assessment; *b*) investigation; and *c*) submission of an investigation report.

10. Upon receipt of a complaint or allegation, INV conducts a review to ascertain whether the complaint is within its authority and competence to investigate. During the preliminary assessment, INV also seeks to assess the credibility and sufficiency of the information provided and to determine whether there is enough basis to initiate an investigation or refer the matter to a relevant department within PASB. INV investigates all allegations of sexual harassment and sexual exploitation and abuse.

11. If INV determines there is insufficient information to initiate an investigation, INV prepares a preliminary assessment report and notifies the complainant of its decision. Pursuant to the updated Investigation Protocol published in the PAHO E-Manual in late 2022, when complaints of harassment, discrimination, or retaliation are made, and

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<sup>1</sup> The APLP has the following members in addition to the Investigations Office: The Director of Administration (the Chair), the Departments of Financial Resources Management and of General Services Operations, the Office of the Legal Counsel, the Office of Internal Audit, and the Ethics Office.

<sup>2</sup> The ICMS has the following members in addition to the Investigations Office: The Ethics Office (the Chair), the Office of the Ombudsman, the Office of the Legal Counsel, the Department of Human Resources Management, the Information Security Officer, the Office of Internal Audit, the Board of Appeal, and the PAHO/WHO Staff Association.

INV determines there is not sufficient information to investigate, HRM will notify the complainant, granting the possibility to appeal INV's decision to PASB management.

12. If INV determines that there is sufficient basis upon which to proceed, it initiates an investigation, which includes a comprehensive review of pertinent documentation and interviews with people who may have relevant information to provide about the issue being investigated.

13. After the investigation is completed, INV normally submits a report of its findings to the Director of HRM or, in matters concerning a contractor, vendor, or supplier, to the Director of Administration.

14. The Investigations Office therefore acts as the fact finder, while the Director of HRM or the Director of Administration, depending on the nature of the allegation, serves as the decision maker. This separation of functions is essential in order to achieve greater scrutiny and transparency.

15. In 2022, INV received 37 reports of alleged wrongdoing. As shown in Table 1 below, an average of about 44 reports per year were received during the past five years. The figure of 37 reports received in 2022 is below the five-year average, however it is higher than the 32 reports received in 2021, which may be an indication that reporting is returning to yearly average present prior to the COVID-19 pandemic. INV notes that of the 12 cases carried forward from 2022 to 2023, 10 cases were converted to full investigations, and INV expects to submit investigation reports on those matters in 2023.

**Table 1. Case Management Statistics, 2018–2022**

| Item  | 2018      | 2019      | 2020      | 2021      | 2022      |
|---|-----------|-----------|-----------|-----------|-----------|
| <i>Reports reviewed:</i>                              |           |           |           |           |           |
| Reports carried over from previous year(s)            | 15        | 14        | 10        | 5         | 6         |
| Reports received in the given year                    | 49        | 54        | 49        | 32        | 37        |
| <b>Total number of reports reviewed in given year</b> | <b>64</b> | <b>68</b> | <b>59</b> | <b>37</b> | <b>43</b> |
| <i>Reports resolved:</i>                              |           |           |           |           |           |
| Reports closed at intake or referred elsewhere*       | 20        | 26        | 23        | 17        | 21        |
| Reports closed at Preliminary Assessment by INV       | 20        | 22        | 25        | 10        | 5         |
| Reports resulting in an investigation report          | 10        | 10        | 6         | 4         | 5         |
| <b>Total number of reports resolved in given year</b> | <b>50</b> | <b>58</b> | <b>54</b> | <b>31</b> | <b>31</b> |
| Reports carried forward to the following year         | 14        | 10        | 5         | 6         | 12        |

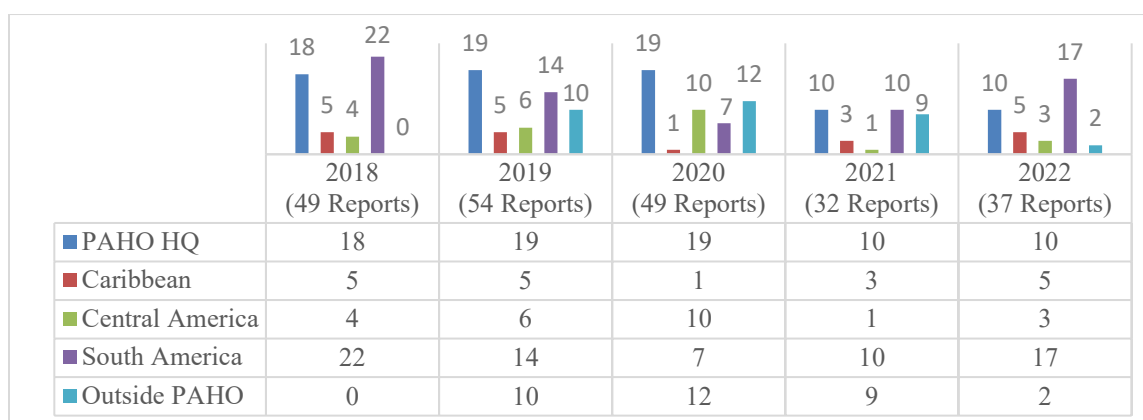
\* Reports are closed at intake when they fall outside of the remit of INV.

16. Twenty-four (65%) of the 37 new reports were submitted to INV by email, and 13 (35%) were submitted through the PAHO Helpline. Of the 13 reports received through the PAHO Helpline, less than 25% were submitted anonymously. The majority of reports were submitted directly to INV, which reflects the effectiveness of the awareness-raising sessions

conducted by INV. In these sessions, INV emphasizes the use of the PAHO Helpline, as well as the accessibility and ease in communicating directly with INV (for further information, see paragraph 29 below).

17. Figure 1 below shows a comparison of the reports received during the past five years, by subregion, sorted by the location of the alleged wrongdoing. In 2022, 10 reports came to INV from Headquarters, five reports from the Caribbean subregion, three reports from the Central America subregion, and 17 reports from the South America subregion. Two reports were received from outside of PAHO.

**Figure 1. Location of Alleged Wrongdoing, by Subregion, 2018–2022**



*Note:* In 2021, INV received one report that entailed allegations of two subregions and is counted in both categories for this year.

18. In 2022, there was an increase in the number of reports received from all three PAHO subregions, while the number of reports received from Headquarters was the same as the prior year. INV will continue its awareness-raising efforts to sustain continued growth.

**Table 2. Reports of Alleged Wrongdoing Received, by Type, 2018–2022**

| Type   | 2018 | 2019 | 2020 | 2021 | 2022 |
|--|------|------|------|------|------|
| Fraud  | 15   | 15   | 2    | 9    | 8    |
| Harassment                                   | 4    | 10   | 11   | 3    | 5    |
| Sexual harassment                            | 1    | 0    | 0    | 0    | 2    |
| Discrimination                               | 0    | 0    | 1    | 0    | 0    |
| Attendance/failure to work appropriate hours | 5    | 2    | 0    | 0    | 0    |
| Conflict of interest                         | 6    | 3    | 2    | 0    | 0    |
| Inappropriate workplace conduct              | 14   | 8    | 11   | 5    | 1    |
| Retaliation                                  | 2    | 1    | 0    | 0    | 0    |
| Rumors                                       | 1    | 1    | 1    | 0    | 0    |

**Table 2. Reports of Alleged Wrongdoing Received, by Type, 2018–2022 (cont.)**

| Type                                  | 2018      | 2019      | 2020      | 2021      | 2022      |
|---------------------------------------|-----------|-----------|-----------|-----------|-----------|
| Hiring practices; selection processes | 2         | 0         | 1         | 0         | 2         |
| Improper termination                  | 0         | 0         | 2         | 1         | 0         |
| Miscellaneous                         | 0         | 14        | 18        | 14        | 19        |
| <b>Total:</b>                         | <b>50</b> | <b>54</b> | <b>49</b> | <b>32</b> | <b>37</b> |

*Note:* In 2018, INV received one report that entailed allegations of both fraud and harassment, and this report is counted in both categories for that year.

19. As shown above in Table 2, reports related to fraud decreased slightly from nine in 2021 to eight in 2022. The consistent number of fraud reports in 2022 may be reflective of continuing vigilance on the part of the Organization. PASB should persist in efforts to understand where fraud may occur and carry forward initiatives relating to fraud prevention and detection.

20. The Investigations Office received five reports of alleged harassment, an increase from three reports in 2021. With the end of emergency teleworking and a return to premises, staff have readjusted to the work environment, which in turn may present interpersonal challenges. This may have a direct effect on the number of harassment cases reported to INV.

21. In 2022, INV received two reports of sexual harassment, after not receiving any reports since the one report made in 2018. PASB management emphasized reporting sexual misconduct and assured staff that allegations of such would be addressed. The emphasis on accountability should encourage more to come forward and report alleged misconduct that is sexual in nature.

22. One report of alleged wrongdoing in 2022 pertained to inappropriate workplace conduct which included discourteous behavior or improper use of the Organization's resources. Two matters related to complaints arising from selection processes, wherein the reporter may have felt the process was unfair or that hiring procedures were not followed.

23. Nineteen of the reports received in 2022 are in the miscellaneous category because they were out of the remit of INV. Such reports usually involve allegations or grievances not related to the Organization and its personnel. When possible, INV redirected complainants to the appropriate internal sources of redress, including but not limited to HRM and the Ethics Office.

24. The Investigations Office submitted five investigation reports to PASB management in 2022. Four of the investigation reports examined allegations of fraud and one addressed an allegation of inappropriate workplace conduct, as shown in Table 3 below. The submission of five investigation reports is lower than the five-year average of seven investigation reports submitted in a calendar year.

**Table 3. Investigation Reports Submitted, by Type, 2018–2022**

| Type                            | 2018      | 2019      | 2020     | 2021     | 2022     |
|---------------------------------|-----------|-----------|----------|----------|----------|
| Fraud                           | 3         | 8         | 0        | 0        | 4        |
| Harassment                      | 4         | 0         | 2        | 3        | 0        |
| Sexual harassment               | 1         | 0         | 0        | 0        | 0        |
| Conflicts of interest           | 1         | 0         | 1        | 0        | 0        |
| Inappropriate workplace conduct | 1         | 1         | 3        | 1        | 1        |
| Breach of national laws         | 0         | 1         | 0        | 0        | 0        |
| <b>Total:</b>                   | <b>10</b> | <b>10</b> | <b>6</b> | <b>4</b> | <b>5</b> |

25. Regarding the five matters resulting in investigation reports, Table 4 details the location of the alleged wrongdoing, whether at Headquarters or at one of the PAHO/WHO Representative (PWR) Offices. It also indicates the nature of each allegation.

**Table 4. Investigation Reports Submitted, by Location and Nature of Alleged Wrongdoing, 2022**

| Location   | Alleged Wrongdoing              | Outcome of Investigation |
|------------|---------------------------------|--------------------------|
| PAHO HQ    | Fraud                           | Substantiated            |
| PAHO HQ    | Fraud                           | Substantiated            |
| PWR Office | Fraud                           | Substantiated            |
| PWR Office | Fraud                           | Substantiated            |
| PWR Office | Inappropriate workplace conduct | Substantiated            |

### **Fraud, Theft, Damage, and Loss of PAHO Property**

26. All cases of fraud, theft, damage, and loss of PAHO property must be reported to the APLP. In its role as secretariat of the APLP, INV keeps a record of these matters within PASB.

27. In accordance with the PAHO Asset Accountability Policy, instituted in 2012 and revised in 2020, staff are held responsible for replacing or repairing any equipment that is lost, stolen, damaged, or destroyed because of negligence or willful misconduct. This requirement encourages PASB personnel to care for the Organization's property as if it were their own. Reports of thefts and losses of PAHO equipment are made to General Services Operations (GSO), which determines the applicable value of the reported item and reviews the reported circumstances of the loss, theft, or damage. GSO then advises APLP on whether reasonable measures were taken to protect the property or equipment from loss or theft. If not, staff members may then be required to reimburse the Organization for the cost of the missing or damaged asset. If GSO determines the theft or loss was due to gross negligence or willful misconduct, GSO refers the matter to INV for review.

28. In 2022, 20 cases related to fraud, theft, damage, or loss of property were reported to the APLP. The total value of losses reported was US\$ 16,680.60.<sup>3</sup> PAHO recovered \$7,136.73 from this amount, leaving a net loss of \$9,543.87 to the Organization. Details are as follows:

- a) Ten cases had to do with theft, damage, or loss of attractive property such as laptops and cell phones in PWR Offices and Headquarters. The Organization recovered \$2,470. The total net loss to the Organization amounted to \$8,748.76.
- b) Three cases involved alleged occupational fraud on the part of PASB staff resulting in two investigations by INV. The organization recovered \$3,858.54. The total net loss to the Organization from these fraudulent acts was \$783.12.
- c) Three cases involved fraudulent transactions made by people outside the Organization who used corporate travel credit cards belonging to PASB staff members. The fraudulent charges, totaling \$808.19, were reimbursed in full by the issuing financial institutions.
- d) In one case, the Organization identified a transaction involving an online scammer, who tested a stolen credit card on the PAHO donation portal to verify that the card was active, presumably to continue using it fraudulently on other e-commerce sites. The Department of Financial Resources Management (FRM) reimbursed the cardholder the amounts received. FRM was proactive in returning the amount to the individual prior to receiving notice of a dispute, in order to avoid bank fees, but there was a chargeback fee of \$12 levied upon the Organization.

### **Awareness Raising**

29. As the work of INV is solely reactive, awareness-raising sessions are an important means to encourage PASB personnel to report alleged wrongdoing and to remind them of their obligation to do so. In 2022, INV conducted virtual awareness-raising sessions for over 80 participants in the PWR Offices in Barbados, and in Colombia.

### **Other Developments and Activities**

30. Taking into account developments within the World Health Organization (WHO) regarding sexual exploitation and abuse (SEA), INV led a working group comprised of the ICMS on updating the Investigation Protocol to reflect current industry best practices and recent developments in governing jurisprudence. A revised and updated Investigation Protocol was published in the PAHO E-Manual in late 2022. Following this revision, INV staff organized a retreat and discussed how to operationalize the updated Investigation Protocol.

31. In 2022, INV staff participated in the second and third installments in a series of two-hour trainings that were jointly organized by investigators from PAHO, the World Bank, the Inter-American Development Bank, and the International Monetary Fund on the

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<sup>3</sup> Unless otherwise indicated, all monetary figures in this report are expressed in United States dollars.

United Nations (UN) System Chief Executives Board's Investigators' Manual for the Investigation of Sexual Harassment Complaints.

32. The Investigations Office continues to recognize the value and importance of fostering relationships with its peer group, and of sharing expertise among investigative entities that are part of the larger UN system and with multilateral financial institutions. INV is actively engaged in UN system-wide fora such as UN Representatives of Investigation Services (UNRIS) and the Conference of International Investigators (CII).

33. Investigations Office staff take advantage of trainings and symposiums on fraud, harassment, and other notable topics, offered annually by UNRIS and CII. INV personnel are fully engaged in these fora, and during the 2022 annual conference of the CII, INV personnel led a workshop on "Unique Challenges of Small Investigations Offices."

### **Lessons Learned**

34. While the number of reports of harassment and sexual harassment increased from the prior year, there may still be underreporting. The Organization can benefit from dedicated training in the prevention and detection of sexual misconduct.

35. The Organization has not received any reports of SEA, which may indicate a greater need for outreach efforts to beneficiary populations. INV continues to prepare itself to investigate allegations of SEA when they arise. INV also continues to support Organization-wide initiatives to raise awareness and help encourage reporting.

36. In 2022, the number of reports of fraud decreased by one from 2021. Recently, senior management requested the implementation of fraud-risk profiles, and PAHO efforts to detect fraud during the COVID-19 pandemic were strong and effective. Efforts to prevent and detect fraud should continue with the same rigor going forward.

### **Future Actions**

37. The Investigations Office will continue to support the Organization by proactively identifying trends and patterns in reports received and in investigations. Investigations conducted by INV can serve as a deterrent and help uncover fraud losses. INV plays an important role in the overall PASB risk management framework to help protect the Organization's reputation and safeguard its financial well-being. To this end, INV will continue engaging with other oversight offices to share experiences and themes observed in closed cases.

38. The Investigations Office will participate in discussions with the ICMS to update the reporting form for the PAHO Helpline. This will make the Helpline more accessible and straightforward to navigate.

39. In anticipation of reports of SEA that may arise following the issuance of the SEA policy and the establishment of SEA focal points in each PWR Office, INV places importance on continuous training for its staff in SEA to ensure that its investigators are



prepared and informed on the latest best practices and techniques in conducting investigations of this nature.

40. The Investigations Office will continue its outreach to entities in Headquarters and in PWR Offices in order to raise awareness about reporting mechanisms.

**Action by the Executive Committee**

41. The Executive Committee is invited to take note of this report and provide any comments it deems pertinent.

Annex

## Analytical Form to Link Agenda Item with Organizational Mandates

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|---|
| 1. <b>Agenda item:</b> 3.6 Report of the Investigations Office for 2022   |
| 2. <b>Responsible unit:</b> Investigations Office (INV)   |
| 3. <b>Preparing officer:</b> Mr. Alexander Lim  |
| 4. <b>Link between Agenda item and <a href="#">Sustainable Health Agenda for the Americas 2018–2030</a>:</b><br>Not applicable.   |
| 5. <b>Link between Agenda item, the <a href="#">Strategic Plan of the Pan American Health Organization 2020–2025</a>, and the <a href="#">Program Budget of the Pan American Health Organization 2022–2023</a>:</b><br><br><i>Outcome 27:</i> Leadership and governance. Strengthened PASB leadership, governance, and advocacy for health.<br><br><i>Output 27.2:</i> The Pan American Sanitary Bureau operates in an accountable, transparent, compliant, and risk management-driven manner, with organizational learning and a culture of evaluation.<br><br><i>OPT Indicator 27.2.c:</i> Time taken to address fraud and corruption as well as staff misconduct issues. |
| 6. <b>List of collaborating centers and national institutions linked to this Agenda item:</b><br>Not applicable.  |
| 7. <b>Best practices in this area and examples from countries within the Region of the Americas:</b><br>Not applicable.   |
| 8. <b>Financial implications of this Agenda item:</b><br><br>This Agenda item has no specific financial implications, but INV continues to rely on the requisite level of funding to enable it to fulfill its mandate.  |