

169th SESSION OF THE EXECUTIVE COMMITTEE

Virtual Session, 24 September 2021

Provisional Agenda Item 3.5

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ANNUAL REPORT OF THE INVESTIGATIONS OFFICE FOR 2020

Introduction

1. The Investigations Office was established on 1 January 2018, following a decision by Executive Management of the Pan American Sanitary Bureau (PASB) and endorsed by the Executive Committee of the Pan American Health Organization (PAHO) to have a separate and dedicated unit to carry out the investigative function within PASB. Prior to 1 January 2018, the investigative function was performed by the Ethics Office.
 2. The Investigations Office plays a key role in fostering good governance of the Organization. It conducts professional, independent, impartial, objective, and timely administrative fact-finding investigations into allegations of wrongdoing involving PASB personnel or in activities contracted or financed by PAHO. Findings and conclusions issued by the Investigations Office provide management with a factual basis upon which to make informed decisions and take appropriate disciplinary action to hold staff accountable for their conduct.
 3. Staff assigned to the Investigations Office must demonstrate personal integrity, objectivity, and confidentiality, and the Office must perform its mandate without external influence. Investigators in the Investigations Office are all certified fraud examiners, and the Office has in-house language capability in three of the four official languages of PAHO: English, Portuguese, and Spanish.
 4. Investigations undertaken by the Investigations Office 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 the Investigations Office through various channels, including 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 Helpline is available in the Organization's four official languages (English, French, Portuguese, and Spanish) 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, the Investigations Office serves as secretariat of the Standing Committee on Asset Protection and Loss Prevention (APLP).¹ The APLP meets periodically 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).² The ICMS brings together all the offices in PASB responsible for addressing matters of organizational integrity and conflict resolution.

7. In addition, the Chief Investigator chairs the Investigations Coordinating Committee, which also includes the Director of Human Resources Management 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 the Investigations Office to complete an investigation and to protect the interests of staff and the Organization.

8. This annual report of the Investigations Office outlines the work, achievements, and lessons learned in 2020. 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.

Independence and Resources

9. To allow for an independent exercise of its functions, the Investigations Office has a direct reporting relationship with the Governing Bodies of PAHO through the Executive Committee. This ensures that the Office remains free from managerial interference in planning and performing its work and reporting on the results. The Office also receives advice from the Audit Committee, which usually meets twice a year. In the performance of its duties in 2020, the Investigations Office 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.

10. Although the position of an administrative assistant was approved for the 2020-2021 biennium, the Investigations Office had to delay its recruitment due to the Organization's financial situation and a corresponding moratorium on hiring. A waiver was granted by the Director in December 2020, and the recruitment process is expected to be completed by the second quarter of 2021.

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

² 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.

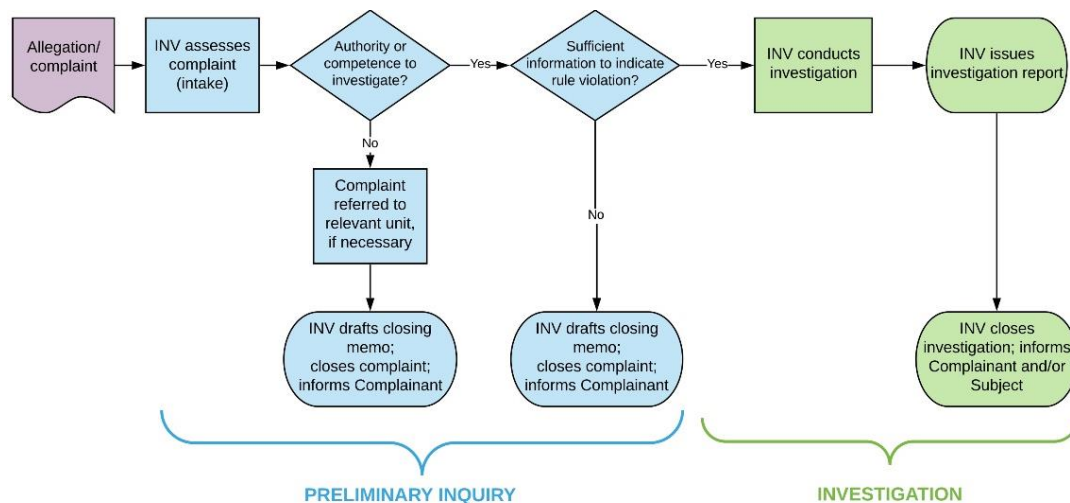
The Investigations Office in 2020

11. In 2020, the Investigations Office conducted investigations into allegations of wrongdoing including fraud, harassment, and conflict of interests, among other possible breaches of PAHO regulations, rules, and policies.

12. Investigations in PASB are reactive in that the investigation process is triggered only when a report, usually in the form of a complaint or allegation about possible violation of PAHO rules or policies, is received. Typical steps taken in an investigation include *a)* preliminary inquiry, *b)* investigation, and *c)* submission of an investigation report. Upon receipt of a complaint or allegation, the Office conducts a preliminary review to assess the credibility of the information provided and to determine whether there is sufficient basis to initiate an investigation. In some cases it may decide that a less formal approach is more appropriate; this may entail guidance from the Investigations Office or referral to a relevant department within PASB. If the Investigations Office determines that a more formal approach is required, 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. After the investigation is completed, the Investigations Office normally submits a report of its findings to the Director of Human Resources Management (HRM) or, in exceptional instances, the Director of Administration, who are responsible for deciding whether to take administrative or disciplinary action.

13. Figure 1 illustrates the investigation process described above.

Figure 1. Investigation Process



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

15. The Investigations Office received 49 reports of alleged wrongdoing in 2020. As shown in Table 1, an average of about 48 reports per year were received during the past five years. Thus, the figure of 49 reports received in 2020 is very close to the five-year average. It is lower than the 54 reports received in 2019, which may be explained by Organization's shift to emergency teleworking in 2020.

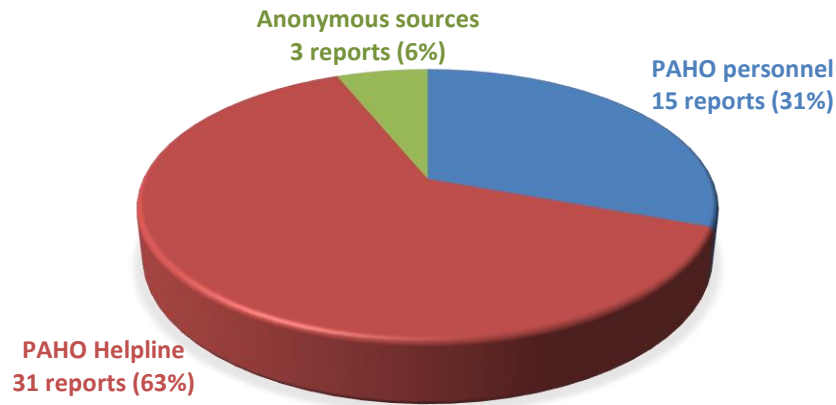
16. The Investigations Office resolved 54 of the 59 matters it reviewed in 2020 (consisting of reports carried forward from 2019 and reports received in 2020). The remaining five reports were carried forward. As can be seen in Table 1, there has been a significant decline in the number of matters carried forward from one year to the next.

Table 1. Case Management Statistics, 2016-2020

Item	2016	2017	2018	2019	2020
<i>Reports reviewed:</i>					
Reports carried over from previous year(s)	27	22	15	14	10
Reports received in the given year	49	38	49	54	49
Total number of reports reviewed in given year	76	60	64	68	59
<i>Reports resolved:</i>					
Reports dismissed or referred elsewhere	21	12	20	26	23
Reports closed by the Investigations Office	23	21	20	22	25
Reports resulting in an investigation report	10	12	10	10	6
Total number of reports resolved in given year	54	45	50	58	54
Reports carried forward to the following year	22	15	14	10	5

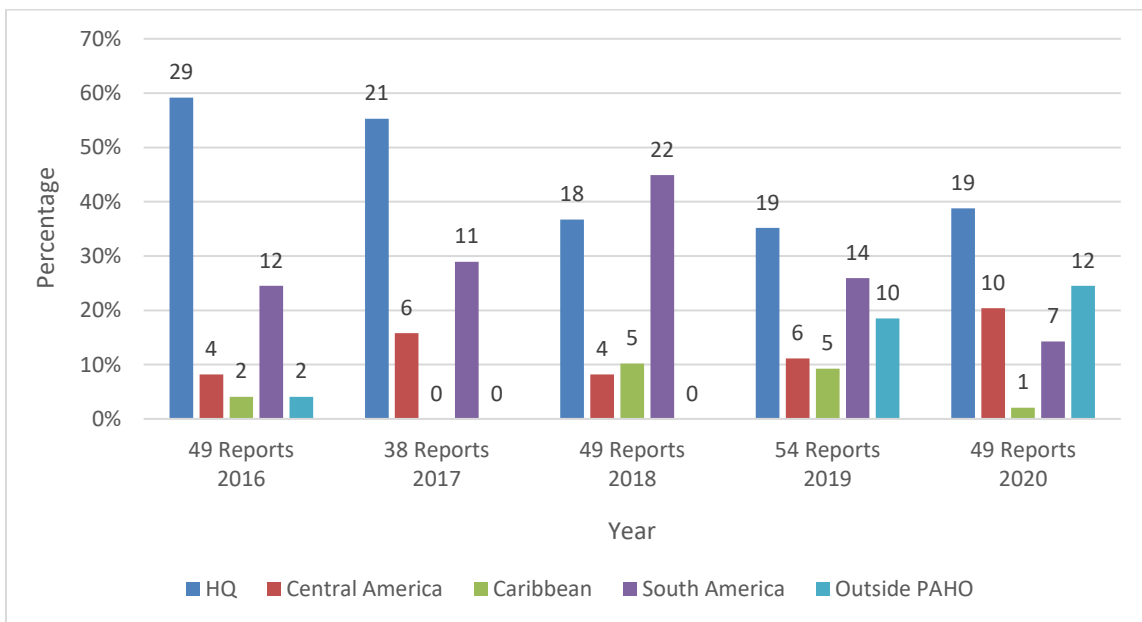
17. Of the 49 reports received in 2020, 15 (31%) were received directly from PASB staff, while 31 (63%) were received through the PAHO Helpline (Figure 2). Of those received through the Helpline, 24 were submitted anonymously. This may be a reflection of the awareness-raising sessions conducted by the Office, which emphasized the ability of the Helpline to receive anonymous reports. Another three reports were received by email from anonymous sources.

Figure 2. Reports of Alleged Wrongdoing, by Source of Information, 2020



18. Figure 3 shows a subregional comparison of the reports received during the past five years, sorted by the location of the alleged wrongdoing. In 2020, most of the reports to the Investigations Office came from Headquarters. The figure also shows an approximate correlation between the numbers of reports received from the different subregions and the staffing levels in the subregions. The figures thus show an improvement from preceding years, when there were fewer reports of wrongdoing in subregions outside Headquarters than would be expected based on their respective staffing levels. Nonetheless, increased awareness-raising efforts may be needed to ensure that PASB personnel in PAHO/WHO Representative (PWR) Offices know where to turn when they want to report suspected misconduct.

Figure 3. Location of Alleged Wrongdoing, by Subregion, 2016-2020



19. As shown in Table 2, several reports of alleged wrongdoing in 2020 pertained to inappropriate workplace conduct such as discourteous behavior or improper use of the Organization's resources. While such conduct is to be discouraged, it does not necessarily warrant disciplinary action and may instead be addressed and resolved through guidance from the Investigations Office or referral to another member of the ICMS.

Table 2. Reports of Alleged Wrongdoing Received, by Type, 2016-2020

Type	2016	2017	2018	2019	2020
Fraud	4	6	15	15	2
Harassment	5	5	4	10	11
Sexual harassment	1	3	1	0	0
Discrimination	1	0	0	0	1
Attendance/failure to work appropriate hours	1	0	5	2	1
Conflict of interests	2	4	6	3	2
Inappropriate workplace conduct	16	14	14	8	9
Retaliation	1	0	2	1	0
Rumor mongering	1	0	1	1	1
Hiring practices; selection processes	7	5	2	0	2
General workplace concerns	7	0	0	0	0
G-5 domestic worker issues	1	1	0	0	0
Improper termination	2	0	0	0	2
Miscellaneous	0	0	0	14	18
Total:	49	38	50	54	49

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

20. Table 2 also shows that alleged harassment continued to be reported at a steady rate, reaching 11 reports in 2020 despite the implementation of emergency teleworking for most of 2020. These reports mostly related to incidents that occurred prior to the start of teleworking. A smaller number of harassment reports were related to incidents occurring during online interactions.

21. At the same time, this is the second consecutive year in which no reports of alleged sexual harassment were received. As noted last year, this may be a sign of underreporting. However, the 2020 figures may also be interpreted as an effect of the teleworking arrangements at the onset of the pandemic, with fewer PASB personnel working together in person for most of the year.

22. Reports of alleged fraud declined sharply, from a high of 15 in both 2018 and 2019 to just two reports in 2020. The Investigations Office held discussions with various PASB entities to understand the possible reasons for this development, and two recurring themes stood out. First, the majority of PASB personnel did not undertake mission and other travels for most of 2020 and thus were not incurring travel expenses. Second, staff health insurance claims were significantly lower than in previous years, probably because

PASB personnel were putting off visits to physicians, especially during the initial months of the COVID-19 pandemic. Both circumstances likely reduced opportunities and temptation for fraud.

23. Eighteen of the reports received are in the miscellaneous category. Such reports usually involve allegations or grievances not related to any of the wrongdoing typology that the Investigations Office tracks. In 2020, 16 of the 18 reports categorized as miscellaneous were out of the Investigations Office's remit; they generally involved complaints from members of the public or anonymous sources about COVID-19 pandemic matters that did not involve the Organization and its personnel. When possible, the Investigations Office redirected complainants to the appropriate avenues of redress.

24. The Investigations Office submitted six investigation reports to the Director of HRM in 2020. Most of these pertained to harassment, as shown in Table 3.

Table 3. Investigation Reports Submitted, by Type, 2016-2020

Type	2016	2017	2018	2019	2020
Fraud	1	1	3	8	0
Harassment	5	3	4	0	4
Sexual harassment	2	2	1	0	0
Discrimination	0	1	0	0	0
Conflict of interests	0	0	1	0	1
Inappropriate workplace conduct	1	1	1	1	1
Hiring practices; selection processes	1	2	0	0	0
G-5 domestic worker issues	0	2	0	0	0
Breach of national laws	0	0	0	1	0
Total:	10	12	10	10	6

25. For these six cases, Table 4 details the location of the alleged wrongdoing, whether at Headquarters or at one of the PWR Offices in the countries. It also indicates the nature of each allegation.

Table 4. Investigation Reports Submitted, by Location and Nature of Alleged Wrongdoing, 2020

Location	Alleged wrongdoing	Substantiated or unsubstantiated by Investigations Office
Headquarters	Harassment	Substantiated
Headquarters	Harassment	Substantiated
Headquarters	Inappropriate workplace conduct	Unsubstantiated
Headquarters	Conflict of interests	Substantiated
PWR Office	Harassment	Substantiated
PWR Office	Harassment	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 Investigations Office. In its role as secretariat of the APLP Committee, the Investigations Office serves as the focal point for these matters within PASB.

27. In accordance with the PAHO Asset Accountability Policy, instituted in 2012, 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 motivates 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 the Investigations Office, which determines 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.

28. In 2020, 10 cases related to fraud, theft, damage, or loss of property were reported to the APLP Committee. The total value of losses reported was US\$ 2,083.28.³ PAHO recovered \$250 from this amount, leaving a net loss of \$1,833.28 to the Organization. Details are as follows:

- a) Four cases had to do with theft, damage, or loss of attractive property such as laptops and cell phones in PWR Offices and Headquarters. The total net loss to the Organization amounted to \$1,788.28.
- b) Six cases of fraudulent banking transactions were committed by people outside the Organization. The first case involved cyber-scammers, who tested stolen credit cards on the PAHO donation portal to verify that the cards were active, presumably in order to continue using them fraudulently on other e-commerce sites. The Department of Financial Resources Management (FRM) reimbursed the cardholders the amounts received. FRM was proactive in returning money to the individuals prior to receiving notice of a dispute, in order to avoid bank fees, but there were three instances when a chargeback fee (\$15 per dispute) was levied. Therefore, PAHO suffered a net loss of \$45.
- c) The second case involved a check fraudulently issued in the name of the Organization. The attempt was reported by the bank, and the check was not cashed. There was no loss to the Organization.
- d) The four remaining cases involved credit card charges that were eventually disputed. There was no loss to the Organization.

29. The six cases of fraudulent transactions reported to the APLP Committee are considered banking issues and did not result in an investigation.

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

Awareness Raising

30. As the work of the Investigations Office 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.

31. During the 164th and 167th Sessions of the Executive Committee, Member States encouraged the Investigations Office to continue its outreach activities. Toward this end, the Investigations Office conducted awareness-raising sessions in 2020 for over 120 personnel associated with the following entities:

- a) PWR Office in El Salvador.
- b) PAHO/WHO specialized center (BIREME) in Brazil.
- c) At Headquarters: Revolving Fund for Access to Vaccines; Department of Evidence and Intelligence for Action in Health (Health Analysis and Equity Metrics Unit; Knowledge Management Unit, and Information Systems for Health Unit); Department of Planning and Budget; and Office for Equity, Gender and Cultural Diversity.

32. Due to the implementation of emergency telework, awareness-raising materials were retooled and tailored for online delivery. The Investigations Office harnessed various online tools to ensure that sessions remain interactive and engaging for participants.

33. The Investigations Office found that outreach activities had a generally positive correlation with reports received. PASB personnel either reached out to the Investigations Office after attending one of the awareness-raising sessions, or reports were received via the PAHO Helpline from a particular office soon after a session.

Other Developments and Activities

34. When the Terms of Reference (TOR) for the Investigations Office were initially shared with the Audit Committee in April 2019, Committee members suggested more clarity on the question and manner in which investigations against third parties such as vendors, suppliers, and contractors would be conducted. A revised TOR document was approved by the Director on 4 September 2020.

35. As an active member of the ICMS, the Investigations Office participated in the review and drafting of policies such as the Sexual Exploitation and Abuse Policy, the Protection against Retaliation Policy, and the PAHO Policy on Prevention and Resolution of Harassment in the Workplace. Work on some of these policies is ongoing.

36. The Investigations Office recognizes the value and importance of fostering relationships with its peer group, sharing expertise among investigative entities that are part of the larger United Nations family. The Office is actively engaged in United Nations

system-wide fora such as United Nations Representatives of Investigation Services (UNRIS) and the Conference of International Investigators (CII).

Lessons Learned

37. In 2020, the majority of harassment reports received were closed in less than six months. Three harassment reports exceeded six months due to logistical and planning issues as the Investigations Office transitioned to teleworking. The Investigations Office will continue to aim to investigate and close harassment cases within six months and sexual harassment reports within three months. Table 5 shows a summary of the average time it took the Investigations Office to close matters in 2020.

Table 5. Average Time Required to Close Matters, 2020

Type	Average time
Fraud	3 months
Harassment	3 months
Discrimination	6 months
Conflict of interests	1 month
Inappropriate workplace conduct	1 month
Rumor mongering	6 months
Improper termination	less than a month
Miscellaneous	less than a month

38. In 2019, there were 15 reports of fraud that resulted in eight fraud-related investigations. In comparison, the Investigations Office did not receive any report related to fraud during the initial 10 months of 2020. The Office raised this issue with senior management and emphasized the need for continued vigilance. It also pointed out that the COVID-19 context may give rise to new avenues for fraud. Following this, the Director asked for the development of new fraud-risk profiles in order to ensure that PAHO will be capable of detecting novel forms of fraud within the COVID-19 context.

Future Actions

39. The Investigations Office will continue to support the Organization by proactively identifying trends and patterns in reports received and in investigations. As PASB further strengthens its efforts to identify and manage risks, fraud prevention and detection remain key issues. Investigation can act as a deterrent and help uncover fraud losses. It plays an important role in the overall PASB risk management framework to help protect the Organization's reputation and safeguard its financial well-being.

40. The ICMS has agreed to review the Investigation Protocol in 2021, and the Investigations Office will lead in this effort. Revision of this protocol will ensure that it is

in line with latest industry best practices and standards. It will also establish criteria for the handling and prioritization of reports that the Office receives.

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

Action by the Executive Committee

42. The Executive Committee is invited to take note of this report, solicit additional information or clarification on the work and activities of the Investigations Office in 2020, and provide additional guidance to PASB as it sees fit.

Annex

Analytical Form to Link Agenda Item with Organizational Mandates

1. Agenda item: 3.5 Annual Report of the Investigations Office for 2020
2. Responsible unit: Investigations Office (INV)
3. Preparing officer: Mr. Alexander Lim
4. Link between Agenda item and Sustainable Health Agenda for the Americas 2018-2030: Not applicable.
5. Link between Agenda item and the Strategic Plan of the Pan American Health Organization 2020-2025: <i>Outcome 27:</i> Leadership and governance. Strengthened PASB leadership, governance, and advocacy for health. <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. <i>OPT Indicator 27.2.c:</i> Time taken to address fraud and corruption as well as staff misconduct issues.
6. List of collaborating centers and national institutions linked to this Agenda item: Not applicable.
7. Best practices in this area and examples from countries within the Region of the Americas: Not applicable.
8. Financial implications of this Agenda item: This Agenda item has no specific financial implications, but the Investigations Office continues to rely on the requisite level of funding to enable it to fulfill its mandate.