



**ANNUAL REPORT**  
**ETHICS OFFICE**  
CITY OF JACKSONVILLE, FLORIDA  
**AUGUST, 2009**

Carla Miller, Ethics Officer

# ANNUAL REPORT ETHICS OFFICE CITY OF JACKSONVILLE, FLORIDA AUGUST, 2009

(Required by Executive Order 07-11)

**Dear Mayor Peyton and City Council President Clark:**

Enclosed is the annual report of the Ethics Office. This report is divided into 3 sections:

1. A summary of key projects of the Ethics Office in the last year;
2. A summary of the recently released National Government Ethics Study; this is offered to highlight research on the national issues in government ethics;
3. A narrative description of the products of the Ethics Office that are required by the Jacksonville Code.

The Ethics Officer has been privileged in the last year to work with a dedicated group of city employees, city officials and the Ethics Commission to address ethics, compliance and anti-corruption issues. The Ethics Office is now about 10 months (based on a full time schedule) into developing the Ethics and Compliance program.

In issuing his Executive Order 2007-11, Mayor Peyton trusted the Ethics Office to implement his ethics plan expeditiously to increase public trust in government. Based upon the progress made in a short period of time, I am optimistic about the continued positive evolution of our city's ethics program.

Carla Miller  
Ethics Officer, City of Jacksonville



## **KEY PROJECTS OF THE ETHICS OFFICE**

### **August 2008-2009**

- **HOTLINE.** A hotline manual was developed on all procedures; this manual was reviewed by the following: General Counsel's office (6 attorneys); the Inspector General; the City Council Auditor; the director of Human Resources, the Ethics Commission and several national experts. The manual incorporated all suggestions made and is now posted online.
- **HOTLINE INTAKES.** Over 250 hotline calls have now been received; these calls are answered directly by the Ethics Officer, 24/7. Of these calls, 36 cases have been opened and 21 of these cases have been finalized. Several cases are pending with law enforcement. There has been an increase in the number of situations that are being reported directly to the Ethics Officer, a result of continued training efforts.
- **HOTLINE SAVINGS TO THE CITY.** One quickly handled hotline case saved the city \$69,120. (This amount is 73% of the entire budget for the ethics office.)
- **COMPLIANCE PROGRAMS.** All aspects of state and local laws have been reviewed for compliance programs. State financial and gift disclosure required by the state Ethics Commission is now accurate as to those who must report. As to local laws, systems have been designed and implemented for the following laws: reporting online of "gifts to the city"; online reporting for secondary employment
- **LOCAL ETHICS LAWS REVIEWED.** As a result of review and discussion with employees, local employee gift law disclosure was eliminated. Lobbying laws were monitored for compliance. The Ethics Officer worked with several City Council members in advising on and researching ethics legislation, including a bill extending various ethics laws to the Independent Authorities.
- **ADVICE TO EMPLOYEES.** There is almost daily advice offered on ethics issues to all departments. These questions come to the office from the Departmental Ethics Officers. The Ethics Officer has also met with representatives from all of the Independent Authorities to share practices in ethics programs.
- **TRAINING.** Several hundred more city employees were trained in ethics, ethics laws and anti-corruption. A new employee orientation program was developed and delivered. Summer "Ethics Camps" have been taken out to departments and divisions all over the city and continue this August and September. A comprehensive one day ethics course was designed in connection with the training department and was successfully piloted. This program will be part of the permanent training lineup for the city. Training materials were developed and posted online in lieu of incurring printing expenses.
- **ETHICS COMMISSION.** The Ethics Officer, as the Code's designated liaison to the group, assisted the citizen Ethics Commission in several projects, including public records and procurement issues.

**NATIONAL GOVERNMENT ETHICS SURVEY**  
**ETHICS RESOURCE CENTER**  
Washington, D.C./January 2008  
[www.ethics.org](http://www.ethics.org)

**PUBLIC TRUST IS AT RISK**

- Rates of misconduct in government are high—nearly 60% of government employees see misconduct in their daily jobs;
- 30% of misconduct goes unreported to management;
- Note: the local JCCI study on “Our Money, Our City: Financing Jacksonville’s Future” contained recommendations for increasing trust in local government; thereby identifying trust as a current local issue

**THE PROBLEM IS LIKELY TO GET WORSE**

- One in four government employees works in an environment conducive to misconduct. Misconduct will continue to rise.
- Only 8% of government workplaces have strong ethical cultures and the levels of misconduct are highest at the local levels of government
- One of the most frequently observed form of misconduct is conflict of interest, which is observed by 27% of government employees
- Fraud takes place in government as much as it does in business; fraud includes: alteration of documents and financial records; lying to vendors/public/employees; and misreporting of hours
- Overtly illegal misconduct is on a decline, whereas abuses of public position and conflicts of interest that may not be illegal, are on the rise
- 29% of employees say their job conflicts with their personal values
- 25% of employees believe that top leadership will tolerate retaliation for those who report problems
- (Note: This survey was conducted before the financial/budget crisis. Increased pressure as a result of this crisis perhaps affects these statistics.)

**SOLUTIONS EXIST**

- Ethics programs double reporting and lower the rate of misconduct
- A strong ethical culture also increases reporting and cuts misconduct in half
- Combining a strong ethical culture with a strong Ethics and Compliance program is how to create the greatest reduction in ethics/corruption risk

## **HISTORY OF THE ETHICS OFFICE**

The city of Jacksonville has had an ethics program since 1999, when the city's first ethics code was passed. Initially, the position of "Ethics Officer" was handled by two Ethics Officers, one a citizen volunteer (Carla Miller), and the other, an attorney liaison from General Counsel's office (John Jolly/Steve Rohan). The office was staffed from 2001-June 2007 by an "Ethics Coordinator" who assisted the two Ethics Officers. At the request of Mayor John Peyton, the Jacksonville City Council approved funding for a part-time Ethics Officer and Carla Miller was hired the end of November, 2007. The funding for the position of "Ethics Coordinator" was eliminated. Therefore, there is now a funded position focused solely on the development of the ethics program as intended by the Jacksonville Code. The Ethics Officer has now been on duty, part time, for 20 months (Dec. 2007-July, 2009) or the equivalent of roughly 10 full time months.

## **MISSION AND DUTIES OF THE ETHICS OFFICE**

The role of the Ethics Officer was outlined in an Executive Order of the Mayor, Number 07-11 which lists the duties of the office which are also reflected in our local Ethics Code, section 602.1102. The Mayor stated in that order that it was his intention to implement the highest ethical standards and an environment consistent with the Code's aspirational goals—"Ethics is more than the avoidance of criminal behavior. It is a commitment for public servants to take individual responsibility in creating a government that has the trust and respect of its citizens. Even actions that could create the appearance of impropriety should be eliminated."

In the last year, the Ethics Officer has been focused on fulfilling the Mayor's goals as systematically as possible with the use of existing resources. It took a few months initially in 2008 to become familiar with all departments and staff in order to assess the state of the ethical culture and develop appropriate programs. These are the main areas now being addressed:

1. Promotion of an ethical culture for all city government officials and employees, done primarily with training. This is based upon national standards;
2. Systems to promote 100% compliance with all state and local ethics laws.
3. Primarily through the "Hotline", the prevention, detection and handling of misconduct, including referrals to law enforcement;
4. Implementation of all duties of the Ethics Officer as stated in the Jacksonville Code.

## ACTIVITIES OF THE ETHICS OFFICE, August 2008-August 2009

The Code states that the Ethics Officer shall report independently to both the Mayor and the City Council President. Additionally, the Ethics Officer is also the liaison with the Ethics Commission, a group of volunteer citizens, and receives Hotline calls from employees and local citizens.

The activities of the Ethics Officer will be listed under each Code requirement.

**Section 602.1102. Jacksonville Code: Mission and duties of the City Ethics Officer. The duties of the City Ethics Officer include, but are not limited to the following:**

- (a) **Implement...a confidential “Hotline” for the discovery of government waste, fraud, and ethics violations.**

*\*A hotline has been set up in the Ethics Office since August, 2007 when it was announced by the Mayor. The hotline calls are taken directly by the Ethics Officer, 24 hours a day/ 7 days a week. It was decided that this would save the expense (approximately \$5000 per year) for it to be out-sourced to a Hotline company, as is done by most governments/corporations. After taking the calls and reviewing the nature of the complaints for a few months, the Ethics Officer developed the first Hotline procedures manual. After several months of discussion and input from General Counsel’s Office (six attorneys), Inspector General, City Council Auditor, Human Resources Director, the Ethics Commission and Ethics Officers around the country, a Hotline procedures manual was finalized which standardizes the handling of Hotline cases and the referrals to other agencies, if appropriate. This manual is posted online on the Ethics website. Strict confidentiality has been maintained for these calls, per Florida law. After the call is investigated and finalized, per the Hotline procedures, it is presented to the Ethics Commission for final closure and posting on the Ethics website. Over 250 calls have been taken, 36 cases opened and 21 cases closed. Data on each case is summarized and posted online when finalized. Cases have involved Conflicts of Interest; Sole Source and Proprietary Contracts, theft, nepotism and improper gifts. **One case (2008-11) resulted in a savings to the City in the amount of \$69,120.***

*It is important to note that the statistics of “incoming calls ratio to cases opened” for the city are comparable to corporate hotline statistics. A great value of the Hotline is that many calls reflect misunderstandings on government process and when cleared up, hopefully increase public trust. Therefore, the hotline has turned out primarily to be a valuable educational tool for citizens and employees. At the same time, it should be noted that there are several cases that have been referred to law enforcement, so, the oversight and investigative nature of the Hotline does exist, but to a much lesser extent than the educational function.*

- (b) **Proactively develop and implement systems for:**  
(1) **The timely and accurate preparation of disclosures required by the state and the city;**

*Last year, the entire system of who had to report financial and gift disclosures to the State Ethics Commission was overhauled. An accurate spreadsheet was developed to monitor this most important compliance requirement. Additionally, reminders were sent out periodically with up to date training materials. A training memo was developed and circulated to all who were covered by the law. There was coordination with the State of Florida Ethics Commission on all of these procedures. It was also noted that the Jacksonville Port Authority officials were not on the state list of filers and this was remedied with the Office of General Counsel. Our timely and accurate compliance with state ethics disclosure laws is substantially improved.*

*Additionally, the local law requiring additional persons at the local level to file gift disclosures was reviewed and presented to the Ethics Commission with a recommendation for these code provisions to be eliminated. (This was passed by the City Council, at the request of the Ethics Commission, Bill # 2008-1093.) This was done because at the local level, employees are prohibited from accepting gifts in excess of \$100 from vendors/lobbyists, but then were required to report gifts of over \$100. In application, the law created paperwork without any perceived benefit as to transparency.*

*The entire reporting system for secondary employment was re-designed with the Human Resources department. This system is now online for better evaluations of potential conflicts of interest.*

*The system for reporting “gifts to the city” online, another important requirement of our Code to ensure transparency, was implemented across all departments.*

- (2) **Orienting candidates for boards and commissions of their obligations under the state and city ethics codes;**

*Several ethics training sessions were conducted for Boards and Commissions (for example, Library Board; Pension Board, Public Service Grants Council; True Commission; Mayor’s Commission on the Status of Women, to name a few. ) Since there are close to 100 city Boards and Commissions, with constant turnover, it was decided to put all training online. The first training information was developed: “Ethics in a Nutshell: #3: Government in the Sunshine: A Guideline for Boards and Commissions” which was distributed to all city employees in charge of Boards and Commissions. Training of the Boards will continue primarily online.*

(3) **Informing elected and appointed officers and employees of their obligations under state and city ethics codes;**

*\*See (1) and (2) above, including emails/memos to officials and their assistants. Additionally, two private training sessions were held with newly elected City Council members on state and local ethics requirements. Training was also facilitated with newly elected School Board members.*

(c) **Facilitate and enhance programs for the ethics training of, at a minimum, every director, chief, manager, mayoral aide, and procurement employee of the Executive Branch of the City.**

*Last year, over 1000 city employees and officials were personally trained by the Ethics Officer. This was considered to be a major project and was important to establish relationships in all of the departments and to promote the use of the Hotline. Sessions on "Ethics 101" continued throughout the year and several additional training sessions on Trust were offered through the Covey Institute. Several of the Departmental Ethics Officers were trained in this Trust workshop. The Covey seminar on "Trust" was delivered to City Council representatives at no cost to the city. (This training ordinarily costs several hundred dollars per person. The Ethics Officer was able to negotiate 5 free places in this seminar which were offered to the Executive Director of City Council.)*

*This summer, "Ethics Camps" were held with the Inspector General throughout the City to review ethics procedures and to increase awareness of the Hotline. Several hundred employees have been reached and the Camps will continue into August and September of this year.*

*Additionally, the new employee ethics orientation with PowerPoint was redone for the training department.*

*A significant project was the development of a one day training program in Ethics coordinated with the training department. This was piloted in July and was very successful. It will continue to be offered to all employees for continuing education.*

(d) **Create informational brochures, pamphlets, notices and bulletins necessary to alert all candidates for appointment to boards and commissions of the ethics laws that govern their official behavior after appointment**

*Many of these are online in the Ethics website. Work was done to create a wallet sized ethics business card . Only a few hundred were printed to save costs; the format will be emailed to the departmental ethics officers to print out copies as they require. Based on budget restrictions, as much as possible is being put online instead of actual printing.*

**(e) Meet regularly but independently with the Mayor and Council President to discuss the status of the ethics programs;**

*Meetings took place to discuss ethics issues of importance, primarily activities of the citizen Ethics Commission.*

**(f) Work to integrate ethics into procurement, hiring, retention and promotion policies;**

*Several of the new employee orientation training sessions have been personally conducted by the Ethics Officer. Work has been started with the Director of Human Resources to plan focus groups to create a citywide Code of Conduct for employees.*

**(g) Coordinate with the City's procurement officials in the development and implementation of outreach programs to city vendors on ethics policies and the city's hotline.**

*This is in progress. Meetings have been initiated by the Ethics Officer with the head of the Procurement Division and the Ombudsman of Central Operations and the outline of an ethics outreach program to all vendors has been completed. There is a plan being finalized to increase online transparency on sole source and proprietary contracts, as that is an issue that was highlighted in several Hotline cases.*

**(h) Develop policies, programs and strategies to deal with all ethics-related matters;**

*This was primarily done in assisting the citizen Ethics Commission in researching issues that arose with the Commission, such as procurement (notice issues) and in public records accessibility. Numerous meetings were held by the Commission discussing areas of ethics, per their duties in the Code. The Ethics Officer assisted by advising on national programs and trends and by providing materials to the Commission. For example, there was a perception that citizens had difficulty obtaining public records. Work was done with the Mayor's office, and there is now an online information page for citizens on public records which includes a complaint form that is copied to the Ethics Officer. Several public records issues have been handled since this procedure was established.*

**(i) Develop training and education programs in coordination with the General Counsel and the Jacksonville Ethics Commission;**

*All training materials are reviewed by General Counsel's office for legal accuracy prior to any training session. The Ethics Officer worked on the Sunshine Compliance Education, per the requirements of the Code, to deliver training to City Council assistants and to elected officials at the citywide Sunshine training in June, 2009.*

**(j) Approve the selection and retention of departmental ethics officers;**

*The DEO system is up and running. We have held 2 meetings to discuss current ethics issues in the departments. Most of the work with DEOs is done individually and the Ethics Officer gets continual calls from the departments to assist with ethics procedures and questions. The DEOs have assisted in the Ethics Summer Training Camps.*

**(k) Assist departmental and agency ethics officers in training and education;**

*This is done on a continual basis. Approximately 5 inquiries/problems come into the Ethics Office each week. Usually, the inquiry is on a specific topic; the Ethics Officer tries to handle all inquiries within 24 hours of receiving a request for help/information.*

**(l) Conduct meetings with any or all of the departmental and agency ethics officers as well as senior management to discuss or provide advice on ethics issues;**

*This is being done on a continual basis, as described above.*

**(m) Obtain copies of all reports and disclosures made pursuant to State law by persons subject to this Code if such reports and disclosures are substantially similar to reports and disclosures required under this Code;**

*State of Florida gift and financial disclosures are in digital format and copies have been requested of the July, 2009 state filings. These will be linked to the Jacksonville ethics webpage.*

**(n) Maintain a directory of where all reports and disclosures filed pursuant to this Code may be obtained;**

*This is done and on the ethics webpage on the city's website.*

**(o) Encourage compliance with the spirit and letter of ethics laws;**

*The Ethics Officer does encourage this on a daily basis with all levels of elected officials and city employees, but it is truly up to each individual to work towards the aspirational goals of our city's ethics code. There has been much success in this area but work remains to be done.*

**(p) Review periodically this Code and other applicable laws and regulations and recommend to the Ethics Commission appropriate changes to this Code;**

*Legislation was proposed/monitored/reviewed in several areas, which included the passage of City Council Bills 2008-839 (extension of ethics code provisions to Independent Authorities) and 2008-1093 (revision of local gift disclosure rules). There are other areas where additional legislation should be considered. Currently, the Ethics Commission has focused on a project to make*

*recommendations to the Charter Review Commission as to its structure. The Ethics Officer is researching national best practices for this inquiry and will be issuing another report solely on this set of issues.*

*Our city's ethics laws pertaining to conflicts need to be re-examined as to their scope and effectiveness. Some of the conflict laws in Chapter 602 originated in the original City Charter, Article 20, Ethics Board, in 1969. National standards (See: Federal Sentencing Guidelines, Section 8B2) require a current risk assessment with subsequent changes in relevant laws to prevent future unethical/criminal conduct.*

**(q) The City Ethics Officer shall be the liaison between the Ethics Commission and the officers and employees of the City;**

*The Ethics Officer has attended all of the Ethics Commission meetings and sub-committee meetings; all Ethics Commission members have been trained by the Ethics Officer. The Ethics Officer has provided research and support for their ethics initiatives.*

*The Ethics Commission serves a valuable purpose as a forum for the discussion of ethics issues of concern to the community and in the recommendation of possible legislation to the City Council. Government Ethics at the national level is considered by the Council on Governmental Ethics Law of the U.S. to be comprised of the following areas: Lobbying; Elections; Campaign Finance; Public Access (Public Records/Sunshine/Access of Citizens); and Ethics (conflicts of interest, ethics commissions; education and training and procurement/vendor issues.)*

*The Ethics Commission studied a public records issue for several months this year. Through this study, they have a better understanding of the Sunshine/Public Records laws and have made recommendations designed to increase citizen's access to city government. The Commission also held hearings on procurement issues, and worked to more fully understand the public notice issues relevant to city contracting procedures. The Commission's procurement sub-committee is continuing with this study.*

**Other Tasks Accomplished:**

- 1. The Ethics Office website was updated and Hotline information and whistleblower protection laws were added to the site.*
- 2. All Constitutional Officers and Independent Agencies were contacted about the city's ethics program so as to coordinate with their Ethics representatives. The Ethics Officer met with a representative from each of the Authorities to discuss the status of each agency's ethics program in order to coordinate efforts. JEA ethics personnel were most helpful in*

3. *Outreach has been made to citizen groups and online forums. I believe the opinions of the community are invaluable as the ethics program expands and that the internet will obviously become more and more significant in the relay of communication in the future between citizens and their government.*
4. *There has been continued cooperation with COGEL, the Council on Governmental Ethics, the leading body for governmental ethics officials in the U.S. ([www.cogel.org](http://www.cogel.org)) The Ethics Officer was also asked to speak at the Ethics and Compliance Officer Association national conference (Corporate America) and also monitors all corporate ethics programs through national publications, websites and news services.*
5. *The Ethics Officer has met with law enforcement officials on a regular basis to discuss investigative strategies and procedures and specific Hotline cases.*
6. *The Ethics Officer has met with the City Council Auditor on ethics related issues to develop plans for possible legislation or programs and has coordinated with that office on specific hotline cases involving the Independent Authorities.*
7. *There have also been meetings with the Northeast Florida Ethics and Compliance organization—a group consisting of all of the local corporate ethics officers (example: Blue Cross, Mayo, CSX). This has also been helpful in obtaining information on best practices in developing ethics programs. The Ethics Officer also works with the OGE, Office of Governmental Ethics of the United States in Washington, D.C. At OGE's invitation, I attended a national ethics seminar for which they waived all tuition costs.*
8. *The Ethics Officer attended the international Transparency conference (at no cost to the city). International best practices for transparency and anti-corruption were studied at this time and will be reviewed for applicability to Jacksonville.*

#### FEDERAL SENTENCING GUIDELINES—National Best Practices in Ethics and Compliance Programs

The nationally recognized standards for the implementation of ethics and compliance programs are reflected in Chapter 8, part B, of the Federal Sentencing Guidelines –“ FSG”. The FSG calls for the following: due diligence to prevent and detect criminal conduct; the promotion of a culture that encourages ethical conduct and a commitment to compliance with existing laws. It requires that the Ethics Office be given adequate resources to do its job and appropriate authority to execute its programs. Also, the FSG requires a confidential hotline to be in use and that effective training programs be designed to communicate the program to all employees. All of the City's ethics initiatives are modeled after the

requirements of these guidelines, along with other industry criteria for ethics and compliance programs. The Ethics Officer studies all national best practices so as to anticipate the needs of our city's program now and in the future. Benchmarking resources utilized periodically by the Ethics program are as follows: Ethics and Compliance Officer Association; Society of Corporate Compliance and Ethics; Office of Governmental Ethics, D.C.; and the Council on Governmental Ethics laws [www.cogel.org](http://www.cogel.org).

It is important that there be more integration of our audit and risk analysis with our ethical culture and compliance initiatives. This is a stated goal of Corporate America; not easily achieved, but one to continually work towards as a goal for the city's ethics initiative.

## **SUMMARY**

The City of Jacksonville has made a solid start in the implementation of an ethics program that meets and exceeds national standards. This needs to be built upon and coordinated with efforts of the Inspector General Office, supported by City Council and the Mayor.

The Ethics Officer is optimistic from the work completed in the last several months that this can be achieved with increased communication and trust.