



## Avoiding an Ethical Crisis

*Why it's sometimes difficult to do the right thing*

Kevin C. Duggan | West Coast Regional Director, ICMA

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### Introduction:

- “Gauging the Audience”
- My Background
- Why This Topic Resonates for Me

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### Goals for the Presentation:

- Decrease the Odds that You or Your Organization Will Suffer an Ethical Crises
- Help You Take the Topic of Ethics and Integrity Out of the Realm of Cliché—Dig Deeper in Regard to What These Concepts Actually Mean and What They Actually Require

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How Big a Problem?

- “Unethical”:
  - 13,500,000
- “Corruption”:
  - 185,000,000

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Ethics:

“In Accordance With the Accepted  
Principles of Right and Wrong  
Governing a Group’s Conduct”

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“Accepted Principles”:

- Laws
- Regulations
- Policies
- Codes of Conduct/Ethics
- Accepted Practices
- Expectations:
  - Organizational
  - Public

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Law vs. Ethics:

- Law: What You Are Required To Do
- Ethics: What You Should Do

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Adjectives to Describe Ethical Conduct:

- Honest
- Transparent
- Fair/Equitable
- Fortright
- Trustworthy
- Consistent

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Why Are Ethical Lapses So Common:

- Ego?
- Power?
- Greed?
- Avoidance of Pain?
- Fear?
- Compulsion?
- Embarrassment?
- Basic Lack of A Moral Compass?
- "The End Justifies the Means"?

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Your Greatest Risk—Personally and  
Organizationally:

COMPLACENCY

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A Higher Standard?:

- Are You Held to a Higher Standard as a Public Official/Employee?
- If So, Why?
- Is It Fair?

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Case Study:

I Don't Have a Conflict of  
Interest!

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### Top 10 Suggestions to Avoid an Ethical Crisis:

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#### #1: Prevention First

- Never Take Ethics and Integrity for Granted
- Talk About It
- Train
- Don't Assume It Will Just Happen
- Make It Part of the Organization's Culture and Value System
- Hiring for Ethics

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#### #2: "Just Because it is Legal Doesn't Mean it is Ethical":

- Don't Confuse "Legal" With "Ethical"
- Not Breaking the Law Will Keep You Out of Jail, But.....
- Our Obligation is to Maintain the Public's Confidence
- Use the Probationary Period as Intended

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#3: The Greatest Challenge to Ethical  
Conduct: The "R" Word

- **RATIONALIZATION**
- Ability to Rationalize That Inappropriate Conduct is "OK"
- "I Deserve....."
- "In This Case....."
- Being Seduced By The Ability to Come Up With a "Plausible Rationale"

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#4: Beware of the "No One Will Find  
Out" Rationalization

- "A Secret if a Five Second Head Start"
- There is Always Someone Who Will (or Could) Find Out
- No One Finding Out is Not An Appropriate Criteria
- Regardless, YOU Will Know

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#5: "The Google Rule"

- Previously Known as the "Newspaper Rule"
- One of the Best Defenses to the " Seduction of Rationalization"
- Helps You Understand That You Are Not the Only Audience Who Will Judge Your Conduct

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#6: "The Taxpayer Rule"

- What Would the Average Taxpayer Think?
- Public Resources Belong to the Public
- We Must Use Resources Consistent With the Public's Expectations
- Public Resources Include:
  - Money
  - Equipment
  - Time
  - Facilities
  - People

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#7: You Are Only Tested When the  
Choices are Tough

- When You Have Something to Lose or Gain
- When You Can Suffer Personally or Professionally for Taking a Stand
- When it is Difficult and Uncomfortable

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#8: A Leader's Three Levels of Ethical  
Responsibility

- What YOU Did: YOUR Decisions and Actions
- What OTHERS Did—That You Knew About (How Did You Respond?)
- What Others Did That You Didn't Know About:
  - Should You Have Known?
  - Are You Open to Bad News?
  - Can You Demonstrate "Due Diligence"

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#9: Responding to an Ethical Lapse

- Critical to the Final Outcome
- Avoiding the "C" Word at All Costs
- Early and Full Disclosure
- Taking Corrective Actions
- A Delayed Response Can Be Deadly
- "Not Deciding" Can Be a Critical Error
- Don't Turn an Honest Mistake Into an Ethical Crisis

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#10: The 3 Questions You Must Be Prepared to Answer

- What Did You Know?
- When Did You Know About It?
- What Did You Do About It?

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Key Points:

- Understand the Risk of COMPLACENCY
- Manage RATIONALIZATION
- Effective Leadership Requires Ethical Conduct
- The "Google Rule"
- The "Taxpayer Rule"
- Your 3 Levels of Ethical Responsibility
- The 3 Questions You Must Be Prepared to Answer

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*Integrity: Stephen Carter*

- Discerning Right vs. Wrong and Taking Consistent Action
- 3 Required Steps of Integrity:
  - Discerning What is Right and What is Wrong
  - Acting on What You Believe, Even at Personal Cost
  - Saying Openly That You Are Acting on Your Understanding of Right vs. Wrong

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*Blind Spots: Max Bazerman & Ann Tunbrunsel*

- The Struggle Between What You Want to Do and What You Should Do
- Many Ethical Challenges Are Not Identified Early Enough
- You Can Fool Yourself When Facing an Ethical Challenge
- Informal Values Often Overwhelm Formal Values
- Most People Think They Are More Ethical Than Most Other People!

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*The (Honest) Truth About Dishonesty: Dan Ariely*

- "They Cheat, You Cheat and I Cheat (From Time to Time)"
- We Want the Benefits of Cheating While Also Wanting to Retain Our Self Perception as Reasonably Honest People
- When Our Ability to Rationalize Our Actions Is Reduced, Our "Fudge Factor" Shrinks
- Impulse vs. Reason—More At Risk If Tired or Overwhelmed (or "Medicated"??)

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**ICMA**  
Warren Buffett:

“It Takes 20 Years to Build a  
Reputation and Five Minutes  
to Ruin It”

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**ICMA**  
A Final Thought:

“All That is Necessary For the Triumph of  
Evil is That Good Women and Men Do  
Nothing”

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**ICMA**

Resources:

International City/County Management  
Association (ICMA):

[www.icma.org](http://www.icma.org)

Institute for Local Government (ILG):

[www.ca-ilg.org](http://www.ca-ilg.org)

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