

City of Atlanta

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# **Integrity Matters:**

## **A Report on the First Year of the Integrity Line**

April 17, 2006 to April 16, 2007

**Integrity Line  
1.800.884.0911**

**Integrity Line Steering Committee  
Department of Law Compliance Unit  
Ethics Office  
Office of City Auditor**

### **Integrity Line Steering Committee**

Mariangela Corales, Assistant City Attorney, Department of Law  
Claudia Janka, Investigation Manager, Ethics Office and Office of City Auditor  
Ginny Looney, Ethics Officer, Ethics Office  
Jeffrey Norman, Compliance Manager, Department of Law  
Gerald Schaefer, Financial Systems Audit Manager, Office of City Auditor  
Leslie Ward, City Auditor, Office of City Auditor

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# Integrity Matters: A Report on the First Year of the Integrity Line

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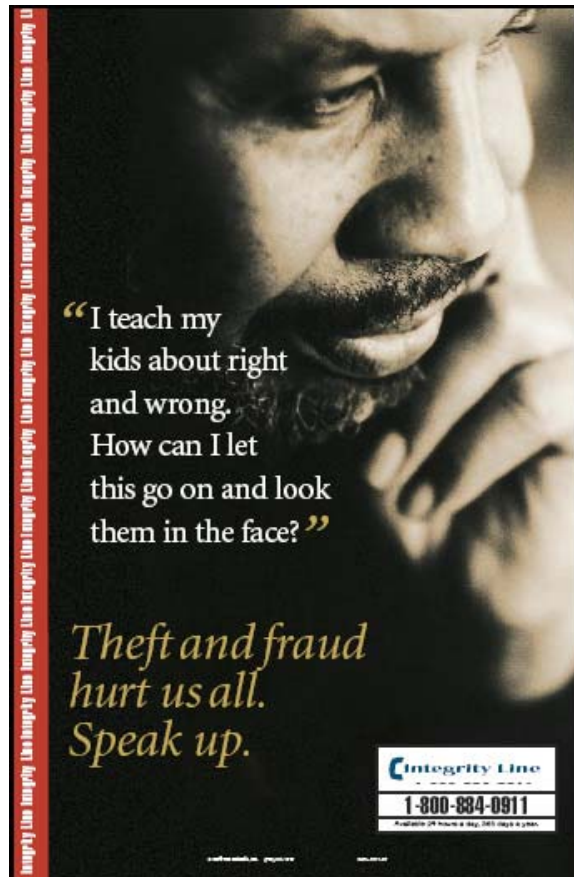
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## Executive Summary

The city's Integrity Line has promoted the importance of ethical behavior within the organization by providing employees, vendors and concerned citizens an outlet for reporting unacceptable behavior of city officials, employees, and contractors. In its first year of operation, the Integrity Line received 320 calls, including 116 cases that warranted at least preliminary investigation. About 26 percent of these cases resulted in employee discipline, which included termination in some cases, or change in departmental policy. In the remainder of the cases, the allegation was not sustained by the investigation. More than 80 percent of the cases were closed within 90 days, which is the steering committee's benchmark for timely resolution.

Because consistent and appropriate action taken in response to complaints is the best reinforcement of the city's message that integrity matters, we recommend that the chief operating officer develop an administrative order to guide departments in conducting timely and thorough investigations and in reporting results. We also recommend that the commissioner of human resources review current disciplinary practices to ensure that departments are holding employees accountable for misconduct in accordance with the city's progressive discipline policy and that disciplinary practices are consistent among departments.

The city has established the key elements to a successful hotline. The Mayor's and City Council's continuing commitment to the Integrity Matters program is an integral part of the city's efforts to encourage ethical behavior, prevent fraud, and ensure compliance with the law.





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## **Introduction**

The Integrity Line is a telephone hotline for City of Atlanta employees, customers, business partners, and citizens to report unethical, fraudulent, or illegal activity without fear of retaliation. The city began the hotline in April 2006. Of the 320 calls received in the first year of operations, 116 cases required at least a preliminary investigation. This report describes those calls, how the hotline operates, and the value of the hotline to the city. Based on these benefits, the ethics officer, city auditor, and compliance manager recommend that the city continue to operate the Integrity Line and support the Integrity Matters program as part of the city's ongoing efforts to promote ethical behavior, prevent fraud, and assure compliance with the law.

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## **How the Integrity Line Operates**

### **Integrity Line Steering Committee**

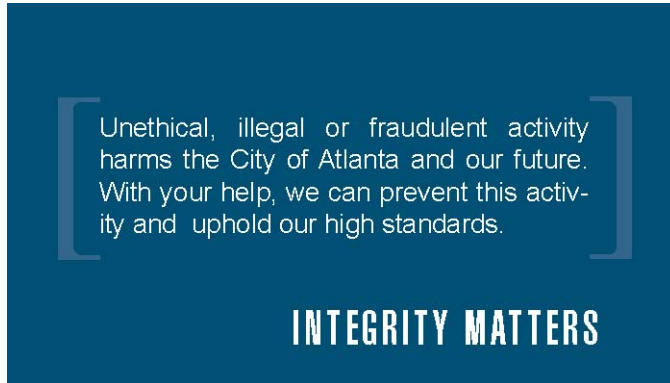
The City of Atlanta Board of Ethics, Audit Committee, and Department of Law established a hotline steering committee in May 2005. The initial members of the steering committee were Ethics Officer Ginny Looney, City Auditor Leslie Ward, and Compliance Manager Jeffrey Norman. Research conducted by the steering committee showed that the key elements to a successful hotline are instilling the proper culture within the organization, establishing the appropriate intake procedures, developing a well-designed process for handling complaints, and continual reinforcement to employees and the public.

### **Instilling an Ethical Culture**

Last year, the city initiated a public educational program called "Integrity Matters" to promote ethical behavior by city officials, employees, and contractors. The program encourages city officials and employees to act with honesty and integrity in their work and to speak up if they observe or suspect wrongdoing in city government. As part of the Integrity Matters program, Mayor Shirley Franklin and City Council President Lisa Borders on April 17, 2006, announced the availability of the Integrity Line for employees and the general public to report unethical or illegal activity throughout city government. Their press conference was broadcast on the city's public access channel and reported locally by print and broadcast media.

The city used a variety of media to inform officials, employees, and citizens about the Integrity Matters program and the new Integrity Line. Every city employee received a letter from the Mayor and a wallet card describing the program and giving the hotline's toll-free number. City agencies displayed 200 posters and 28 awareness centers with fact sheets, brochures, and wallet cards about the hotline, and steering committee members made 23 presentations to nearly 1,200 employees in the aviation, corrections, executive offices, fire, human resources, law, municipal court, planning, public works, and watershed management departments, as well as the Mayor's cabinet and the Atlanta City Council's Committee on Council.

## Illustration 1 Wallet Card Distributed to Employees



**Speak up.**  
**Integrity Line**  
**1-800-884-0911**

Available 24 hours a day, 365 days a year.

*Call any time, from any location. You DO NOT have to give your name.*

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### **Intake Procedures**

The city contracted with an independent company, The Network, to operate the call center 24 hours a day, 365 days a year. When a caller phones the Integrity Line, a professional interviewer gives the caller the option to remain anonymous and documents the caller's concern in detail. Anonymous callers are advised that they may call back with additional information or to answer any questions the City of Atlanta may have as a result of its investigation. The Network sends a written incident report on each call within 24 hours to each member of the steering committee. The report provides the date and time of the call; the name of the caller, if given, and any contact information; the incident type; the time, place, and description of the incident; the names and titles of reported individuals; and the names and titles of involved parties.

### **Process for Handling Complaints**

The steering committee reviews all complaints on a weekly basis. The committee holds a conference call to review and assign all incident reports received during the previous week. Depending on the allegations, the case is investigated by ethics, audit, or law staff; referred to the relevant city department; or closed out.

The incident report identifies the issue raised by the caller, using one of The Network's 24 standard codes. The committee assigns complaints based on the issue raised and each office's hotline call jurisdiction. Exhibit 1 lists the incident types that fall within the sole jurisdiction of audit, compliance, or ethics; incident types in which those offices share jurisdiction with other departments and agencies; and incident types in which other departments and agencies have sole jurisdiction.



**Exhibit 1  
Jurisdiction over Calls Received**

<b>Audit</b>	<b>Compliance</b>	<b>Ethics</b>	<b>Joint Jurisdiction</b>	<b>Departments</b>
<ul style="list-style-type: none"> <li>Accounting &amp; audit irregularities</li> </ul>	<ul style="list-style-type: none"> <li>Kickbacks</li> <li>Substance abuse</li> <li>Workplace violence or threats</li> <li>Discrimination</li> <li>Sexual harassment</li> </ul>	<ul style="list-style-type: none"> <li>Conflicts of interest</li> </ul>	<ul style="list-style-type: none"> <li>Falsification of city records</li> <li>Fraud</li> <li>Fraudulent insurance claims</li> <li>Release of confidential information</li> <li>Retaliation against whistleblowers</li> <li>Theft of cash</li> <li>Theft of goods &amp; services</li> <li>Theft of time</li> <li>Wage &amp; hour issues</li> <li>Policy issues</li> <li>Employee relations at bureau director level and above</li> </ul>	<ul style="list-style-type: none"> <li>Employee relations below bureau director</li> <li>Customer relations</li> <li>Safety issues</li> <li>Sanitation complaints</li> </ul>
<p>Source: Protocol for Handling Integrity Line Complaints</p>				

The Integrity Line protocol for assigning hotline complaints provides the following:

- Complaints falling within the sole jurisdiction of audit, compliance, or ethics are automatically assigned to that office for investigation.
- Complaints falling within the jurisdiction of more than one office may be assigned to any of the three offices or by default to the ethics and audit investigator.
  - Example: Department head's personal use of a city vehicle*
- Complaints involving matters for which audit, compliance, and ethics hold joint jurisdiction with city departments may be retained or referred to the appropriate department; the department is asked to investigate the matter and report its findings within 30 days.
  - Example: Theft of time*
- Complaints involving the city that do not fall within the jurisdiction of audit, compliance, or ethics are referred to the appropriate department for handling; the department is not required to report back and the case is closed out.
  - Example: Water bill dispute*
- Complaints involving an issue outside the jurisdiction of the city are closed out immediately, but the caller is given a referral number whenever possible.
  - Example: Complaint against Sandy Springs*

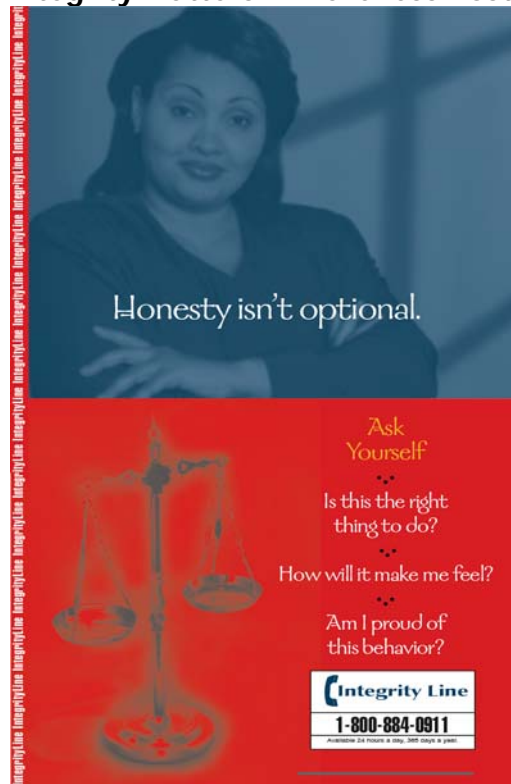
The Integrity Line's protocol for handling cases is summarized in a flowchart in appendix 1 of this report.

The committee meets once a month in person to review cases pending more than 30 days, report on closed cases, and discuss problems, policies, and procedures. The ethics office has served as the hotline coordinator and maintains the steering committee's minutes, makes the weekly referral of cases to the departments, follows up with the departments on a monthly basis until they report back on their investigation, and contacts callers to explain how their case is being handled or to provide a referral number.

### Continual Reinforcement

A critical part of the success of any hotline is communications, both in training employees about expected behavior and in advertising the hotline as a way to report unacceptable behavior. The city has reinforced the message that integrity matters in several ways. The ethics officer discusses the Integrity Matters program and the Integrity Line in her monthly ethics training for all new employees, and a compliance attorney has trained personnel in every department on how to conduct investigations and write investigative reports. The city periodically hangs the Integrity Matters banner with the hotline's toll-free number in the City Hall atrium, includes a message about the Integrity Line on the paycheck of all city employees, publishes the Integrity Line's toll-free number in the water bill inserts, and rolls out a new poster every six months that reinforces the message that integrity does matter (see Illustration 2). The best continuing advertisement for the hotline is the action taken in response to complaints, which is described below.

**Illustration 2**  
**"Integrity Matters" Awareness Poster**



## Analysis of Data

### Volume of Cases

The volume of complaints received was significantly higher than anticipated during the hotline's first year of operation. By April 16, 2007, 320 incidents had been reported; 50 percent greater than the volume projected by The Network. One factor that added to the volume of calls was receiving multiple reports on the same incident. The committee could not determine if these multiple calls were made by the same person or by several individuals. Complaints were reported over the phone (99%) or through the Internet. Calls came from employees (72%), citizens (27%), and city vendors (1%). Of the employees who called the hotline, 70 percent reported the incident to the hotline before they had reported it to management, which is comparable to The Network's public sector average of 72 percent. This high percentage indicates that the hotline provided callers with an independent place to report problems without fear of retaliation and a mechanism for frustrated employees to complain. Citizens that called the hotline tended to complain about customer services issues, such as a street pothole, burst water pipe, trash dumping, or locked park bathroom. Callers do not have to identify themselves when they report an incident to the hotline. The majority of callers (64%) remained anonymous, which was substantially higher than The Network's public sector average of 48 percent.

### Types of Cases

The most often reported incident types were employee relations, policy issues, customer relations, and theft of time. These four issues constituted slightly over two-thirds of the complaints received. The city had a higher percentage of incidents related to policy issues, customer relations, theft of time, and conflicts of interest than The Network's public sector average. Conversely, the city had a lower percentage of incidents related to employee relations, wage and hour issues, discrimination, and fraud than The Network's public sector average. These differences are summarized in Exhibit 2 below.

**Exhibit 2**  
**Comparison of Calls Received,**  
**City of Atlanta versus The Network's Public Sector Average**

Incident types where the city had fewer calls than the public sector average			
Incident Type	City of Atlanta Percentage of Calls	Network Average Percentage of Calls	Difference
Employee Relations	28%	48%	-20%
Wage/Hour Issues	5%	8%	-3%
Discrimination	5%	8%	-3%
Fraud	3%	5%	-2%
Incident types where the city had more calls than the public sector average			
Incident Type	City of Atlanta Percentage of Calls	Network Average Percentage of Calls	Difference
Policy Issues	19%	10%	+9%
Customer Relations	14%	4%	+10%
Theft of Time	8%	4%	+4%
Conflicts of Interest	5%	2%	+3%
<u>Source: Integrity Line Executive Summary Report from 4.17.06 to 4.16.07 and steering committee reviews</u>			

Complaints most often involved the following city departments: watershed management (25%), public works (14%), police (14%), parks, recreation, and cultural affairs (12%), and corrections (11%). These six departments comprised 76 percent of all the incidents reported. On a per capita basis, corrections had the highest rate of calls per 100 employees with 7.5, followed by human resources with 6.7, watershed and public works with 5.9.

The Network assigns a priority to cases, which is subsequently reviewed by a steering committee member. The system ranges from a scale of 1 for high priority cases involving the threat of bodily harm or a serious crime to 5 for low priority cases, which involve issues outside of the city's jurisdiction. Eleven percent of the cases received were considered high priority cases. The vast majority of cases were of medium priority and involved employee relations issues or customer service complaints. Eight percent of the cases received were problems with other jurisdictions, such as complaints against federal, state, or county agencies or with other local municipalities. In these instances, the hotline coordinator instructs the caller on how to contact the appropriate organization. A summary of the cases by priority is summarized in Exhibit 3.

**Exhibit 3**  
**Summary of Cases by Priority Type**

Priority	Description	Number of Cases	Percentage
1	Threat of bodily harm; allegations of felonies and serious crimes	6	2%
2	Other illegal acts, fraud, unethical behavior	30	9%
3	Employee relations, payroll or overtime issues, issues referred to departments for investigation	138	43%
4	Other city related problems such as water, sewer, potholes	119	37%
5	Problems in other jurisdictions	27	8%
<u>Source:</u> Steering committee reviews			

The assignment of cases is another indication of the seriousness of the complaints. The cases assigned to law are the most serious since they involve allegations that, if true, would constitute a violation of criminal or civil law or expose the city to potential liability. Ethics was assigned 237 cases, law was assigned 54 cases, and audit was assigned 29 cases. Of the ethics cases, 88 involved employee relations and 45 involved customer relations; the committee asked for a report back from the departments in 69 cases. Exhibit 4 provides a list of the incident type for all the cases received by the Integrity Line in the first year.

**Exhibit 4**  
**Cases by Incident Type (as recorded by The Network)**

<b>Incident Type</b>	<b>Number of Cases</b>	<b>Percentage</b>
Employee Relations	88	28%
Policy Issues	61	19%
Customer Relations	45	14%
Theft of Time	26	8%
Wage/Hour Issues	17	5%
Conflicts of Interest	16	5%
Discrimination	15	5%
Theft of Goods/Services	9	3%
Fraud	9	3%
Substance Abuse	7	2%
Falsification of Government Records	6	2%
Kickbacks	5	2%
Retaliation of Whistleblowers	4	1%
Theft of Cash	3	1%
Workplace Violence/Threats	3	1%
Sexual Harassment	3	1%
Accounting/Audit Irregularities	2	1%
Fraudulent Insurance Claims	1	<1%
<u>Source: Integrity Line Executive Summary Report from 4.17.06 to 4.16.07</u>		

**Disposition and Outcome of Cases**

Of the 320 cases received during the Integrity Line's first year, 90 percent were closed by the end of the year. On average it took 38 days to close a case. Sixty-eight percent of the cases were closed within 30 days, and 86 percent were closed within 90 days. Many of the calls received were outside the scope or jurisdiction of the hotline (cases with a priority of 4 or 5). These cases were promptly closed and referred to the proper city department or organization.

Cases within the jurisdiction of the hotline were investigated. Overall, there were 116 cases that required some level of investigative work before they were closed. The results of these cases are summarized in Exhibit 5.

**Exhibit 5**  
**Summary of Investigative Cases and their Dispositions**

<b>Disposition</b>	<b>Number of Cases*</b>	<b>Percentage</b>
Not Sustained	86	74%
Employee Disciplined	15	13%
Departmental Policy Change	8	7%
Employee Terminated	7	6%
* Includes multiple calls on the same incident		
<u>Source: Integrity Line Resolution Tracking Report from 4.17.06 to 4.16.07</u>		

The majority of cases investigated did not result in a finding of any wrongdoing. The allegations could not be sustained in 74 percent of the cases.

Overall, 26 percent of the investigations found that the allegation was sustained and corrective action was taken. Corrective action consisted of disciplinary action against the employee, changes made by the city department to their policies and procedures to prevent the problem from reoccurring, or termination of the employee. In the 22 cases resulting in disciplinary action, the following penalties were imposed:

- Five employees were terminated for fighting, theft of time, operating a private business at work, and having a criminal record.
- Three employees retired rather than face disciplinary action for fighting, improperly collecting fees, and failing to account for funds collected.
- One employee was suspended for 10 days for routinely entering a false start time on a time card.
- Four employees received written reprimands for excessive personal use of cell phones, improperly collected fees, and a family member's solicitation of a charitable donation from a contractor.
- Verbal reprimands or oral admonishments were given to employees for threatening a fellow employee, appearing before a city agency on behalf of a private business, making improper racial comments, driving recklessly, using a city vehicle while not on duty, and studying on city time.

There were eight cases in which the departments' investigations found that the allegations were sustained. The departments corrected the problems by providing back pay to an employee, reassigning an employee to another location, revoking an employee transfer, changing staffing at a facility, drafting a memorandum of understanding allowing an employee to work for a non-profit group, reminding employees to drive safely, and writing a proposal to obtain certification required by law.

### **Departmental Response**

During the first year of operation, city departments differed greatly in how they investigated, documented, and responded to matters referred to them from the Integrity Line. Some city departments conducted thorough and effective investigations. In those cases, the department engaged in a detailed and impartial investigation, documented its findings, took immediate and proportionate disciplinary action, and reported back to the committee in a timely manner.

*Example: The Integrity Line received a complaint that an employee at a recreation center was working as a personal trainer for private clients on city time without paying the customary 20 percent fee to the city for use of its facilities. As part of the department's investigation, a citizen called the employee at the recreation center, arranged for private training sessions, negotiated a fee, and wrote a personal check to the city employee for \$415. The department found no evidence that the employee paid the city its customary fee for use of the facilities for the training sessions. The citizen met with the trainer three times a week for one- to two-hour sessions during the employee's regular work day. The department found the employee violated the recreation office's policy for collecting city fees, seven provisions in the Civil Service Code, and the provision in the Code*

*of Ethics prohibiting use of city property for private advantage. Based on these findings, the department terminated the employee.*

On the other hand, some departments failed to investigate a matter referred to them. In one case, the investigator produced a perfunctory report, relying on the memory of a supervisor when a review of the relevant time cards would have established whether there was a factual basis for the allegations. The committee returned the report to the department, and reiterated the need to independently verify whether the documentary evidence supported the witness's statement. In another troublesome case, an employee involved in the disciplinary process was making a decision about another employee with a familial connection, resulting in bias or a conflict of interest.

In other instances, the department may have conducted a thorough investigation, but in the opinion of the steering committee failed to take appropriate disciplinary action. For example, a department determined that a supervisor was dating one of his subordinates and had given her preferential treatment, including additional overtime, and failed to discipline her in the same way as other employees. The department took no disciplinary action against the subordinate, the supervisor, or the supervisor's manager; the department merely transferred the subordinate and issued a letter of counseling to the supervisor.

Finally, departments at times have failed to adequately communicate their findings or the action taken as a result of the investigation. For example, one department conducted an investigation and responded to the committee by forwarding a document that indicated "Cleared" without any further explanation.

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## **Benefits to the City**

The Integrity Line provides the city with an effective means to learn about issues such as fraud and employee misconduct throughout city government and has assisted the detection of wrongdoing throughout the city. Since most wrongdoing is known to someone within the city, the Integrity Line facilitates the transfer of this information, from those who have it to those who need it. Fraud losses and misconduct tend to increase over time, so early detection is important. Continued use of the Integrity Line will reduce losses resulting from fraud, illegal conduct, unethical behavior, negative publicity, and poor workplace morale.

While the city has not recovered any money directly as a result of the hotline, the Integrity Line has enabled the city to save money indirectly by ending various theft-of-time schemes, such as the improper recording of time, the inappropriate assignment of overtime, the operation of a private business on city time, and excessive studying on city time. As employees learn that they will be held accountable for their misconduct, the Integrity Line should help deter employees from engaging in illegal or unethical behavior.

Moreover, the hotline has provided and continues to provide employees, customers, business partners, and others with a secure and identified method for reporting concerns about illegal or unethical behavior in a confidential manner. By having an anonymous hotline, the city can continue to improve employee morale and loyalty by encouraging and

empowering employees to speak up and make a difference while keeping their anonymity. The Integrity Line helps to promote a desirable work environment that enhances the city's ability to attract and retain quality employees, while also serving as a valuable data collection source.

After one year of Integrity Line calls, the city is in a better position to evaluate what the city is doing well and what areas are in need of improvement. By measuring and acting upon the data collected through the Integrity Line, the city can assess its policies and procedures to mitigate risk and limit negative behavior in the future. Due to the number and variety of reports on the issue, the compliance manager has begun working with the human resources department to develop ways to reduce common theft-of-time problems. Moreover, by listening to the complaints of employees, customers, business partners, or other stakeholders calling the Integrity Line and investigating and correcting wrongdoing as it happens, the city sends a strong message about accountability within city government.

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## **Recommendations**

Based on this review of the hotline's first year of operations, the Integrity Line steering committee makes the following recommendations:

1. The Mayor and City Council should continue to fund the Integrity Line and the Integrity Matters program.
2. Department commissioners should ensure that open door policies exist where employees can have the option of communicating concerns directly with management without fear of retaliation or inaction. Open and responsive communication between management and employees decreases the perception that the only resolution to remedying an issue is to seek external assistance by calling the hotline.
3. The chief operating officer should develop an administrative order to guide departments in conducting timely and thorough investigations into Integrity Line complaints by using the Department of Law's report template to provide clear descriptions of their findings and actions taken, and by taking immediate and appropriate disciplinary action. To assist departments to promptly investigate and resolve cases, the steering committee will circulate to department heads a report on pending cases that have been open for a period of 90, 180, 270, and 365 days, and will provide additional training if needed.
4. The commissioner of human resources should review current disciplinary practices to assess whether departments are holding employees accountable for misconduct in accordance with the city's progressive discipline policy and whether disciplinary practices are consistent among departments. If needed, the commissioner should develop guidelines on an appropriate range of consequences to fit common types of wrongful conduct citywide.



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## **Appendix 1**

### **Integrity Line Protocol**



# Appendix 1: Integrity Line Protocol

Includes data on cases received in the Integrity Line's first year of operation

