

# The Ethics Office

INTERNATIONAL MONETARY FUND

Annual Report  
2010

An Ethics Portrait



# The Fund: an Ethics Portrait

“In our encounters with government authorities and interactions with the public at large, we personify the Fund and the ethical values it embodies”



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## **Mission Statement**

The Ethics Office provides independent ethics advice to the Fund and its staff; promotes ethical awareness through outreach and training; and conducts preliminary inquiries and investigations into allegations of unethical behavior and misconduct.

The office is headed by the Ethics Advisor who reports directly to the Managing Director under a limited term appointment not to exceed five years.

Information disclosed by staff to the Ethics Office will be handled confidentially unless it involves possible past misconduct or raises a potential threat of physical harm. In such cases, information may be disclosed to other IMF officials on a need-to-know basis.

If you have an ethics question, please contact this office at ext. 39665, visit our office in HQ1-05-548 or send us an email at [ethics@imf.org](mailto:ethics@imf.org). You may also seek advice or report concerns about potential misconduct to the Ethics Office anonymously via the Integrity Hotline at 1-800-548-5384 or [www.integrity-helpline.com/imf.jsp](http://www.integrity-helpline.com/imf.jsp)

# An Ethics Portrait

One year ago I began my duties as Ethics Advisor and was immediately energized by the dedication of the Fund and its staff to professional excellence and ethical integrity. It was clear that the 2010 goals of the Ethics Office must match these standards—standards that have positioned the Fund as a global leader in promoting sound economic policies grounded in the principles of good governance and accountability.

Building on the solid foundation laid by my predecessors, the Ethics Office marked 2010 by taking the ethics program to the next level—ensuring that the fundamental tools of a world class ethics program were readily available and effectively communicated to Fund staff and its contractors around the globe. Training, promoting the Integrity Hotline, launching a website, and invigorating the review process for the Fund's Standards of Conduct were the highlights of an ambitious outreach effort.

The continuing global economic crisis has placed even greater demand on the Fund to serve its members through carefully calibrated macro-economic and financial policy guidance and technical support. Assisting Fund staff in carrying out these responsibilities within the ethical framework expected of international civil servants, is the highest priority of the Ethics Office. Ethical conduct is not just a black and white exercise of rights and wrongs. It must confront the many shades of grey in between. It must be attuned to behavior and actions that can lead to ethical and professional pitfalls.

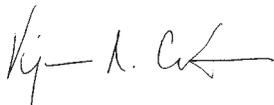
This 2010 Annual Report outlines the steps we have taken to provide essential information, resources and effective training to assist Fund staff in recognizing when a situation may present a conflict or even the appearance of one. Our objective is to provide a toolbox by which staff can make decisions regarding an ethics issue or know how to seek additional guidance through the Ethics Office.

Over the last year, training was conducted for approximately 395 staff, contractual and local employees, including Resident Representatives and staff at Technical Assistance Centers. The diversity of peoples and cultures in these sessions stood in contrast to the fact that as representatives of the Fund, we all are bound together by a common set of standards and ethical behavior.

In our encounters with government authorities and day-to-day interactions with the public at large, we personify the Fund and the ethical values it embodies. These interactions form an ethical portrait. We must continually work to ensure our reflection mirrors these high ethical standards. The Ethics Office will reinforce this focus in 2011 by continuing to conduct one to two training sessions in Regional Technical Assistance Centers, refining the website, promoting the Integrity Hotline and working with HRD and LEG to finalize the revisions to GAO No. 33 governing the Fund's Standards of Conduct.

My staff and I look forward to working with all of you to further the Fund's outstanding reputation as a leader in rigorously applying the principles of transparency and good governance to its own internal operations.

Virginia R. Canter



Ethics Advisor  
International Monetary Fund


  
Section

## 2010 Activities and Operations

“Not everything that can be counted counts,  
and not everything that counts can be counted.”

—Albert Einstein

The following section provides data enabling the Ethics Office and Management to measure the effectiveness of programs designed to foster awareness and adherence to the Fund’s ethical standards. The tables and charts represent much more than statistics. They are barometers by which all of us may gain a broad-brush picture of our collective ethics profile and thereby zero in on issues which appear to warrant focused attention.

### Categories of Advice and Allegations\*

Conflicts of Interest	Workplace Fairness
<ul style="list-style-type: none"> <li>Obligations as an International Civil Servant</li> <li>Financial Conflicts of Interest</li> <li>Personal Conflicts of Interest</li> <li>Gifts</li> <li>Political Activities</li> <li>Post-Fund Employment</li> <li>External Activities</li> </ul>	<ul style="list-style-type: none"> <li>Discrimination</li> <li>Harassment</li> </ul>
Resources & Information	External Compliance
<ul style="list-style-type: none"> <li>Publications &amp; Public Statements</li> <li>Misuse of Resources &amp; Non-public Info</li> </ul>	<ul style="list-style-type: none"> <li>Household Obligations (G4/G5 and taxes)</li> </ul>

\*Categories have been revised since the Annual Report 2009 for accuracy purposes.

## ETO Work Load – 2001 to 2010



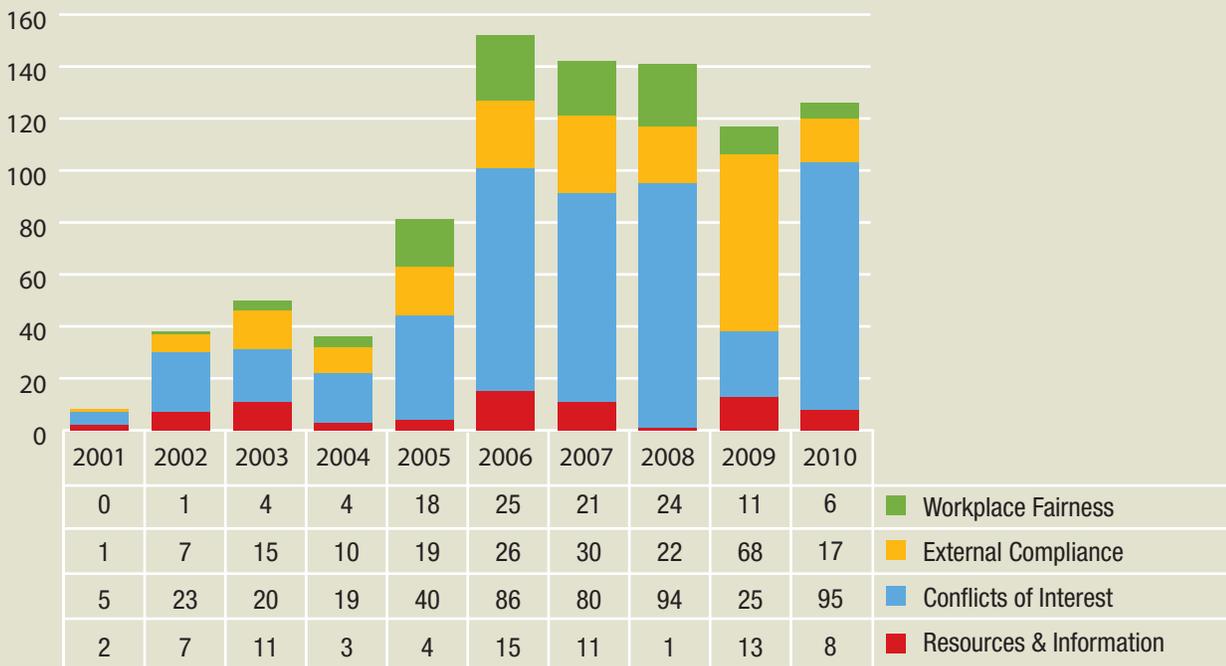
### Caseload: Advice and Allegations

The Advice and Allegations categories were revised in 2010 to conform to the twelve ethics issues that encompass the Fund's primary concerns. These categories are prominently displayed and explained on the Ethics Office website and will be used as the basis for comparison going forward. Data reported in this section should be viewed in conjunction with the Integrity Hotline statistics reported in Section 2 of this Report.

The Ethics Office responded to a total of 156 cases in calendar year 2010. Of these cases, 126 were requests for advice and 30 pertained to allegations of misconduct. These figures represent an increase over 2009, which could be attributed to the Ethics Advisor's position being filled in February of 2010 following an eight-month vacancy.

The increase could also be partly as a result of the extensive outreach conducted by the Ethics Office. Tools such as a website and a promotional campaign highlighting the Integrity Hotline were developed and employed to underscore the Fund's commitment to transparency and accountability.

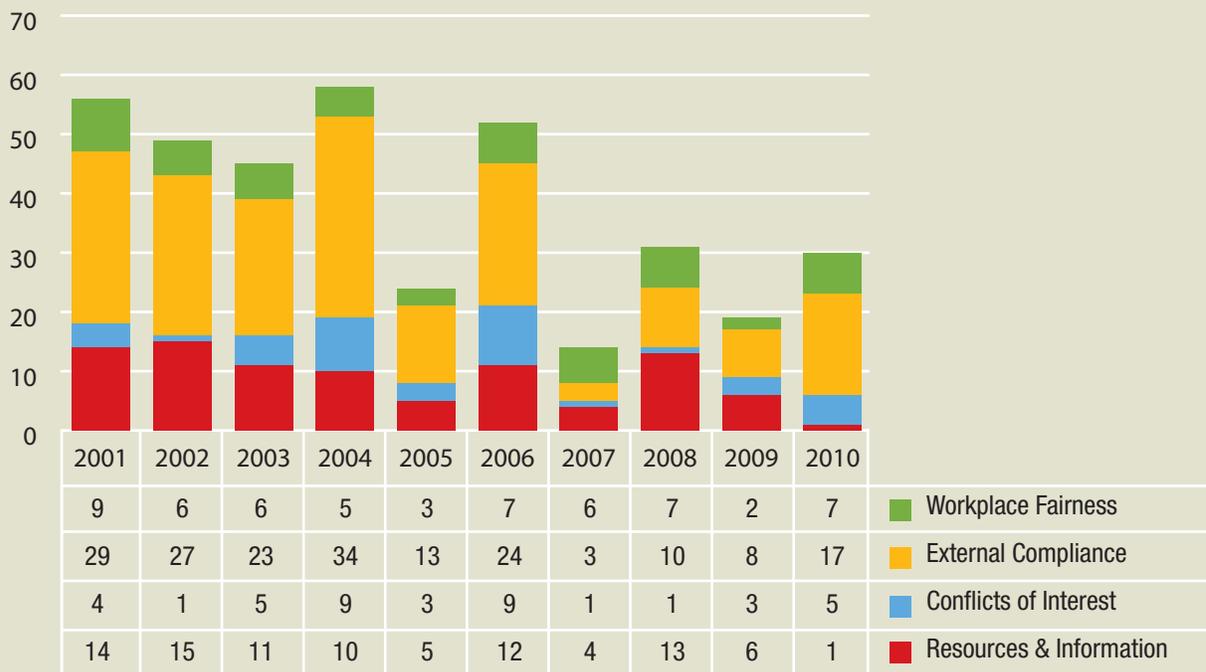
### Advisory Matters by Topic Groups – 2001 to 2010



### Advisory Cases

The 126 requests for advice represent an increase over the 117 requests received in 2009 but are still lower than the average of 141 received in 2007 and 2008, years during and immediately following the organizational restructuring. We believe the more recent data within this range will represent the average going forward. External Activities, Gifts, Personal Conflicts of Interest, and Household Obligations received the most inquiries.

## Allegations by Topic Groups – 2001 to 2010

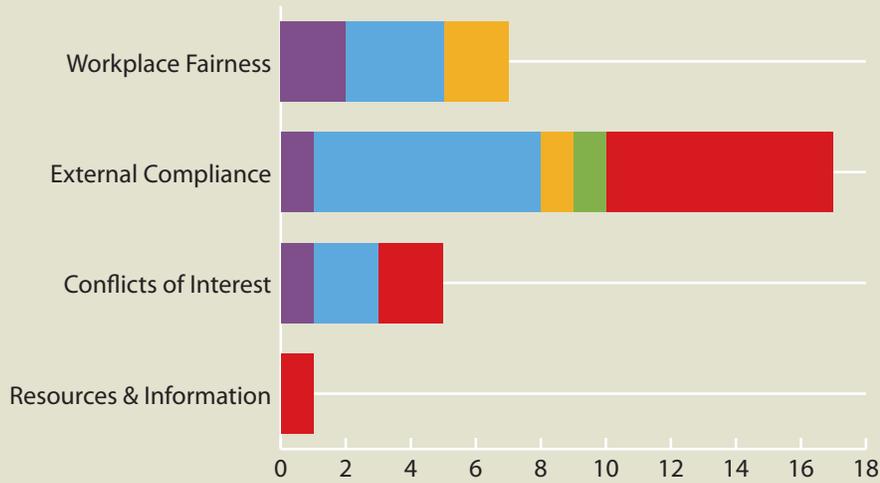


## Allegations

Thirty allegations of misconduct were received in 2010, which was a marked increase over the 19 received in the prior year. As mentioned previously, this increase may be due to the presence of an Ethics Advisor in 2010. Obligations as an International Civil Servant, Harassment, and Household Obligations were the subjects of most allegations.

As noted in last year's Annual Report, continuing cooperation among the Fund units that investigate and resolve these matters—OIA, TGS Security, HRD, LEG and FIN—has strengthened the ethics program and better serves the needs and goals of the Fund.

### Investigation Outcomes by Topic Groups – 2010\*



	Resources & Information	Conflicts of Interest	External Compliance	Workplace Fairness
Dismissed/Withdrawn/Closed for Insufficient Evidence		1	1	2
Informal Resolution		2	7	3
Pending			1	2
No Misconduct			1	
Misconduct Found	1	2	7	

\*Some of the investigations fell under more than one category. If so, the matter was listed under the primary allegation.

### Investigations and Outcomes

The Ethics Advisor carefully reviews all allegations of misconduct. Investigations are guided by the principles of thoroughness, fairness, confidentiality, and freedom from reprisal.

Of the 30 allegations, four were closed for insufficient evidence; 12 were informally resolved; one resulted in a finding of no misconduct; ten resulted in a finding of misconduct; and three were pending at the time this report was finalized. Within the misconduct category, eight involved regular staff and two involved local staff. Within the misconduct category, six involved Household Obligation G4/G5 issues. Of the 30 allegations, six involved staff or employees located overseas.

Two matters were pending at the time the 2009 report was issued. One resulted in a finding of no misconduct and the other was informally resolved.

The Ethics Advisor does not make decisions regarding whether or not to take disciplinary action. The Ethics Office submits Reports of Investigation to the Director of HRD in cases involving A-level staff, or to the Managing Director for matters related to B-level staff and they decide whether any disciplinary measures should be taken.

# Section 2

## Report on the Integrity Hotline



The Integrity Hotline is one of several avenues by which Fund staff may seek advice and report concerns. It is a 24/7 worldwide system, which is uniquely available both to Fund staff and the public. Anyone may access the system through a toll-free number or via the Internet and remain anonymous. Global Compliance, an independent company with extensive hotline experience, receives these calls and web reports.

Consistent with best practices being adopted by public and private organizations around the world, the Hotline system is designed to fully protect employees against any form of retaliation.

The Hotline was a focus of expanded outreach and operational efforts by the Ethics Office in 2010 and reflects the Fund's dedication to transparency and accountability within its own organization. This commitment is reinforced by the Hotline Oversight Committee, which has played a valuable role in providing support and guidance to ensure the Hotline's efficient and effective operation and the active promotion of its features and accessibility.

### Expanded Outreach

The Ethics Office engaged in a multi-pronged awareness campaign in 2010 to promote the Integrity Hotline and its features. The campaign encompassed the following:

- A distinctive logo was created and is visible on all of the Fund's print and web materials.
- Posters, including in digital format, are on display throughout Fund Headquarters and in the 113 Resident Representative offices.
- Brochures have been distributed desk-to-desk and for use at conferences and training sessions.
- The newly launched Ethics website features the Hotline logo and key FAQs.
- IMF Intranet articles featured the Hotline and provided information about it.



A briefing on the Hotline is a prominent part of all ethics and integrity training conducted by the Ethics Office, which reached approximately 395 Fund employees in 2010. At the request of the Hotline Oversight Committee, the Ethics Advisor is focusing training resources on Regional Technical Assistance Centers. CAPTAC hosted a training session in November 2010 and training has been scheduled for the early part of 2011 at CARTAC and the AFR Resident Representative Training Workshop.

## Enhanced Hotline Operations

The Ethics Advisor worked with Global Compliance to enhance the mechanism for reporting substantive allegations. In addition, the Ethics Office instructed Global Compliance to develop a process for more effective and streamlined reporting of email scams. As a result, we expect the number of allegations pertaining to email scams to decline.

## Benchmarking

In the summer of 2010, the Ethics Office began a benchmarking exercise of Hotline usage at other comparable institutions in order to evaluate the effectiveness of the Fund's Hotline and to target possible improvements. The Ethics Office is continuing its data collection and analysis.

## 2010 Hotline Activity

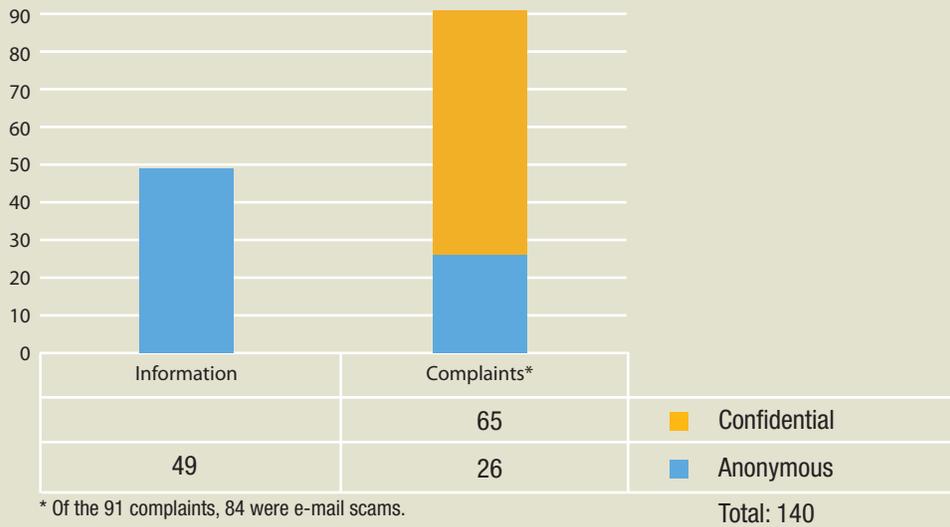
In 2010, the second full year of operations, there were 140 calls or web reports to the Hotline. Calls and web reports to the Hotline are initially categorized as either (1) information referrals or (2) initial reports. Global Compliance records whether the call or web report is confidential (i.e. contains identifying information about the complainant) or anonymous. It should also be noted that Hotline reports are tracked separately from allegations and advisory matters that are reported directly to the Ethics Office. The 2010 breakdown of 49 requests for information and 91 complaints represents a slight shift from 2009 of fewer requests for information, while the number of complaints rose slightly. The decline in requests for information suggests that staff and the public are becoming more familiar with how the Hotline operates.

Of the 91 complaints received in 2010, 84 were alleged email scams. Alleged email scams—which use the Fund's name to appear authentic—constitute the majority of calls or web reports to the Hotline and represented sixty percent of all 2010 Hotline reports. All of the reports of email scams came from persons outside the Fund. By allowing persons outside the Fund to report concerns via the Hotline, the Fund continues to promote transparency and good governance. Although there is no way to prevent scammers from using the Fund's name, the Fund has posted a public warning about such scams on its external website.

Posters, including in digital format, are on display throughout Fund Headquarters and in the 113 Resident Representative offices.



## Hotline Activity – 2010



The remaining seven complaints fell into both substantive and non-substantive categories. Six complaints were substantive. These involved Household Obligations, Misuse of Resources, Discrimination and Harassment. These have either been resolved to the satisfaction of all parties, are being reviewed by the Ethics Advisor, or have been referred to appropriate offices within the Fund.

One web report questioned the methodology used in an IMF Working Paper and was referred to the author of the paper. The matter was considered non-substantive since it raised no allegations of staff misconduct.

The Ethics Office will continue to actively promote the Hotline. Through staff feedback, benchmarking and networking with other organizations, suggestions and ideas about how to further improve the Hotline will be solicited and encouraged.



# Section 3

## Major Developments

In concert with the Fund's emphasis on accountability and transparency in all of its member countries and within its own organization, the Ethics Office is engaged in carrying out a multi-pronged strategy designed to underscore that message throughout the Fund's organization as well as to the public.

Increasing the visibility of, and accessibility to, the Fund's Ethics programs were top priorities in 2010. In addition, new resource tools were developed to ensure that the Fund's ethical profile maintains its position as a model of good governance within the global community. Launching an ethics website, spearheading an awareness campaign for the Integrity Hotline, expanding ethics education and accelerating the review of the Standards of Conduct, highlighted the initiation of an ongoing agenda to strengthen outreach and provide concise and comprehensive guidelines and procedures governing the Fund's ethical standards.



Fund Ethics Website: Key Ethics Issues

<http://www-intranet.imf.org/sites/ethics/ethicsissues/Pages/default.aspx>

## Ethics Infrastructure

**Website** — Easy access to relevant ethics information is an essential component of the transparency the Fund strives to achieve. Recognizing the importance of a website as a critical communications tool in meeting this goal, a website was established in the summer of 2010. It is designed to be a one-stop avenue for obtaining timely information and accessing ethics-related materials. The website forms a key building block in the foundation of the Fund's ethics program.

In addition to listing and providing links to relevant documents, the website is an invaluable source of current activities and information as well as responses to the most commonly raised FAQs.

**Integrity Hotline** — The website is also one of several ways by which to directly link to the Integrity Hotline. Just as the website contributes to more effective and transparent internal communication about the Fund's ethical standards and expectations, the Integrity Hotline helps secure the Fund's accountability to both the public and Fund staff.

As described in Section 2 of this Report, posters, brochures, articles, training sessions and a distinctively designed logo were used to broadcast information about the Hotline and how to use it as a vehicle for transmitting concerns to Fund officials securely and anonymously.

The Ethics Office devoted many weeks and months during 2010 to developing and disseminating these promotional materials as well as working with the Hotline's operating vendor, Global Compliance, to improve the function of the Hotline.

As reported in Section 2 of this Report, of the seven complaints received in 2010 six were substantive and one was non-substantive. It is interesting to note that four of these complaints were received in the final quarter of the year as compared to the preceding nine months in which just three were received. The pick-up in the latter part of the year may be attributable to the Hotline awareness campaign.

**Ethics Education & Integrity Hotline Training** — Websites and hotlines however well designed, are, by themselves, not enough. Building a strong ethical foundation requires more than just putting informational and reporting tools in place. Ethics awareness must actively be woven into the threads of our everyday lives. Bringing the Fund's ethics standards to life by directly interacting with Fund staff worldwide is a top priority of the Ethics Office.

An expanded education program got underway in 2010 combining Hotline training and general ethics briefings for new managers, staff, incoming resident representatives, and Technical Assistance Center staff. The Ethics Office is committed to putting a face on the Fund's ethics program by personally explaining and answering questions about the Fund's ethics requirements. Common questions and concerns such as what the Fund's ethics expectations encompass, what they mean and why they are important, and how and where to seek advice are addressed.

Significant time was spent focusing on ethics education and Hotline training for Fund staff at Headquarters, in briefings for newly appointed Resident Representatives and with local staff in regional Technical Assistance Centers. CAPTAC and MCD Resident Representatives received ethics education and Hotline training in 2010. Judging from the



enthusiasm with which the training was received and the nature of the questions raised, the time spent in preparing and conducting these sessions was well worth the effort.

The most commonly raised issues included conflicts of interest, confidential information, and the unique challenges involved in managing Fund resources and expectations in a broad mix of cultures.

**Networking** — The IMF is not alone in its effort to establish an effective Hotline system. As the public comes to demand greater transparency and accountability from its public institutions, many organizations are responding by establishing similar reporting mechanisms.

To benefit from the value of sharing ideas and experiences, the Ethics Office is actively participating in the UN-IFI Ethics Network (UNEN), which includes ethics officers from the UN, its specialized agencies, and other International Financial Institutions.

The IMF co-hosted with the World Bank, the second meeting of the group at Headquarters in October 2010. The Fund's Special Advisor to the Managing Director, Mr. Min Zhu, was a keynote speaker. Mr. Zhu emphasized the need to raise awareness of ethical standards and observe them in our daily life and work. Mr. Zhu highlighted ways to set the "tone at the top" in relation to ethics and integrity, such as emphasizing leaders' commitment to ethics and getting the message through to the institution's staff as well as its clients, beneficiaries and counterparts.

## Standards of Conduct Review

A concise, clear and readily accessible presentation of the standards governing staff conduct and procedures regarding disciplinary actions should be a cornerstone of the Fund's ethical framework. An effort to update and consolidate the Fund's Standards of Conduct has been in process for some time. To accelerate this work, the Fund's Standards of Conduct underwent a rigorous review in 2010 by an interdepartmental working group drawn from the HRD, LEG and the Ethics Office. As a result a revised GAO No. 33 has been drafted and is currently in the review and approval process.

The new GAO would implement the recommendations of the 2009 Working Group on the Fund's Standards of Conduct, and streamline and update the Fund's disciplinary procedures to take into account developments since the GAO was initially adopted, including a recent decision by the Administrative Tribunal.

The revised GAO would reinforce the protection against retaliation and introduce a new policy on close personal relationships in the workplace. It also would streamline the policies on harassment and discrimination to make them more accessible to staff, with illustrative examples and guidelines separated from the main policy statements.

The revised GAO would consolidate and reflect changes made to the Fund's investigative procedures, which were previously set forth in the current GAO and other documents such as Terms of Reference for the Ethics Advisor and the Procedural Guidelines for Conducting Inquiries Related to Allegations of Misconduct. Disciplinary procedures have been streamlined while providing greater safeguards to staff members.

As importantly, sources on Fund law have been consolidated to facilitate staff understanding of them and the resources and safeguards available to them.

# 4

Section

## Going Forward

Strengthening the foundation of the Fund's ethics program through the addition of new resource tools and greater outreach were priorities of the Ethics Office in 2010. 2011 will build on this momentum with an even greater emphasis on staff interaction and programs designed to seamlessly incorporate the Fund's ethics standards into our everyday lives.

At the top of the Ethics Office's action list for 2011 and beyond are plans to strengthen the Fund's ethics infrastructure by:

- Publishing a revised Standards of Conduct;
- Promoting the Integrity Hotline;
- Continuing educational efforts;
- Enhancing the website; and,
- Inter-organizational networking.

The core of the Ethics Office's responsibilities is to provide advice and be responsive to allegations. The Ethics Office encourages Fund staff to drop by, email or call at any time to become acquainted or to discuss, in confidence, any matter of concern.

The Ethics Office welcomes your feedback as we work together to build an ethics culture commensurate with the organization's global stature.



## The Fund's Core Ethical Values

### Integrity

We do what is right for our members, our communities, the Fund, and each other. We make hard decisions and tough choices. We do not compromise our values.

### Impartiality

We are objective, neutral, and impartial in providing advice and in discharging our professional obligations. Our professional judgment is not influenced by partisan politics or outside authorities. We are responsible to our members and earn their trust and confidence every day.

### Honesty

We tell the truth. We are straightforward in our actions and honest in our relationships. When we say we will do something, we follow through and honor our commitments.



# The Fund: an Ethics Portrait

“We are all bound together by a common set of standards and ethical behavior”

Strong Leadership  
Up-to-date Code of Conduct  
Clear Guidance  
Accessible Resources  
Effective Training

IMF  
**INTEGRITY**  
**HOTLINE**  
Anonymous/Confidential 24/7  
1-800-548-5384

Aware of possible misconduct?

The Integrity Hotline will steer you in the right direction



**Integrity Hotline**

By telephone (within North America)

1-800-548-5384

Via the web anywhere in the world

<http://www.integrity-helpline.com/imf.jsp>

**The Ethics Office**

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Visit the Ethics website at

<http://www-intranet.imf.org/sites/ethics>