SURVEY FINDS PUBLIC SECTOR FACING RISK OF ETHICS SCANDAL

With federal, state, and local government employees witnessing a high incidence of ethical misconduct—and many state and local entities, in particular, failing to establish strong ethics programs—the public sector is at considerable risk of seeing major ethics scandals unfold, according to a survey by the Washington-based Ethics Resource Center (ERC). “The next Enron could occur within government,” says ERC President Patricia Harned. Almost one quarter of public sector employees identified their work environments as conducive to misconduct—places where there is strong pressure to compromise standards, where situations invite wrongdoing, and/or employees’ personal values conflict with the values espoused at work. “Government, especially at the state and local levels, simply is not doing enough to address the problem,” she says.

The federal government fared slightly better than state and local governments when employees at all three levels were questioned about incidents of misconduct, their reporting of those actions, and the existence and quality of programs to enforce ethical standards. Overall, the prevalence of observed misconduct in government roughly matched what ERC found in its survey.

The report found that just 30 percent of federal workers surveyed say their organizations have well-implemented ethics and compliance programs, which the ERC found greatly reduce the incidence of misconduct. At the state level, 14 percent saw strong ethics programs and 7 percent perceived a strong ethical culture. In local government, the figures were 14 percent and 9 percent, respectively. In the aggregate, 57 percent of public servants surveyed observed misconduct in the past year.

A total of 72 percent of unionized employees say they had reported misconduct, compared to 68 percent of nonunionized employees. Harned says unionized employees are less likely to have a positive view of management than nonunionized employees, with a total of 35 percent of federal, state, and local unionized employees saying that they do not trust management to keep promises and commitments, compared to 25 percent of nonunionized employees.

The most commonly observed types of misconduct at each level of government included:

• Federal—abusive behavior (23 percent), safety violations (21 percent), and lying to employees or putting one’s own interests ahead of the organization (tied at 20 percent).

• State—putting one’s own interests ahead of the organization (32 percent), lying to employees (28 percent), and abusive behavior (26 percent).

• Local—abusive behavior (26 percent), putting own interests ahead of the organization (26 percent), and Internet abuse (23 percent).

Other notable findings indicated:

• Fraud takes place in government as much as it does in business, with the most common forms being document and financial record alteration; lying to employees, customers, vendors, or the public; and misreporting of hours worked.

• Nearly one-third of employees say government is not socially responsible in areas such as considering the effect of its actions on the environment in business decisions or considering the effect of those decisions on future generations.

• Roughly half (48 percent) of government employees say they encounter situations that invite misconduct. The occurrence of such situations is on the rise since 2005, when the rate was 41 percent.
