

Never Tell the Truth When a Lie Will Do Building Confidence through Public Service Ethics

J.R. Ewing's Brand of "Ethics"





J.R. Jackson?

PRESS RELEASE

Former Dixon Comptroller Rita Crundwell Sentenced To Nearly 20 Years In Federal Prison For \$53.7 Million Theft From City

Thursday, February 14, 2013

For Immediate Release

U.S. Attorney's Office, Northern District of Illinois

ROCKFORD — The former comptroller of the City of Dixon, Ill., RITA A. CRUNDWELL, was sentenced today to 19 years and 7 months, nearly the 20-year maximum, in federal prison for stealing \$53.7 million from the city over two decades. Crundwell was taken into custody to immediately begin her sentence, which was imposed by U.S. District Judge Philip G. Reinhard in Federal Court in Rockford.



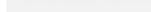
Crundwell acquired a sterling reputation; in 2011, one of the city commissioners praised her stewardship of city finances, saying that "she looks after every tax dollar as if it were her own."

[Federal Judge Philip] Reinhard noted that she put her passion for raising horses ahead of the needs of the city residents who had entrusted her with their funds, and that a significant prison term was required to restore public confidence.











MBC NEWS

Audit finds Bell misused millions in city funds

The scandal-plagued city of Bell mismanaged more than \$50 million in bond money, levied illegal taxes and paid exorbitant salaries to its leaders, according to a state audit released Wednesday.



Booking photos provided by the Los Angeles County Sheriff's Department show from top left, Luis Artiga, Victor Bello, George Cole, and Oscar Hernandez; from bottom left, Teresa Jacobo, George Mirabal, Robert Rizzo, and Peir'Angela Spaccia. The eight are charged with taking more than \$5.5 million from the working-class suburb of Bell, Calif. in a scandal that triggered nationwide outrage and calls for more transparency in government. AP

President of the USA

\$400,000

L.A. County Executive

\$338,000

Robert Rizzo, Former **Bell, CA City Manager**

\$788,000



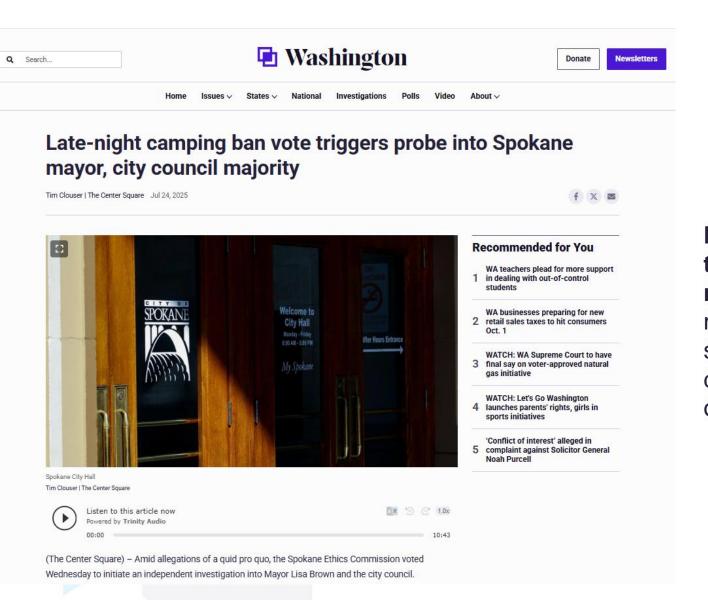
"If that's a number people choke on, maybe I'm in the wrong business ... I could go into private business and make that kind of money. This council has compensated me for the job I've done." – Robert Rizzo

Rizzo, who was city manager of Bell until 2010, apologized during sentencing, telling Los Angeles Superior Court Judge Kathleen Kennedy that he "[breached] the public trust" and that "I am so sorry for that. I will never do anything like this again."

Ethics is *More* than Not Doing Bad Things

- Such as...
 - Stealing
 - Lying
 - Cheating
 - Favoritism
 - Profiting from our positions

... because these things may not be illegal...



However, after much of the audience had left, the council took a brief recess and then motioned to reconsider their initial vote. The majority then voted to suspend procedural rules so they could amend the notice period to three days and put it up for another vote, which occurred on June 30.

PLACE ce Classifieds

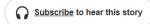
Detroit Free Press

Sports Autos Entertainment Advertise Obituaries eNewspaper Legals 💌 Q <u>72°F</u> 🄆

INVESTIGATIONS

Sheetz, other side gigs, pose ethics issues for Oakland County lawmakers





A gas station empire hired one of the most powerful local politicians in Michigan to serve as an "ambassador" to local communities — cities and towns where the business wants to expand and where the elected leader wields substantial power.



"A *Detroit Free Press* investigation found other county commissioners voted on proposals – and in some cases, agreements – involving entities where they were also employed."

"These aren't just paper conflicts, they're power conflicts. They come down to trust, access and who's really being served. I think it's fair to say you can't be both advocate and the arbiter when there are contracts that have you possibly split your loyalty."

- Davina Hurt, director of government ethics, Santa Clara University and former Mayor PLACE ce Classified

Ames Tribune



COURTS

Former McCallsburg mayor found guilty of fraudulent practice in third degree





I need to... v Divisions v Bureaus v Press Releases Careers 🗗 Events & Media v Contact DPS v

Current And Former Armstrong City Officials Face Criminal Charges "[The defense attorney] hinted at the need for a state-wide audit of lowa's rural governments, using it as fodder in defense of his client, the former McCallsburg mayor."

Ames Tribune, Albertson, 5/17/23

"We do expect, as we should, that even small-town members, whether it's city council or employees, that they have to do their best to follow the law," [Judge] Neary said. - Des Moines Register 10/2/24



More friends. More free time.

More bliss.





State Auditor releases findings in investigation on former city clerk of Eastern lowa town

These procedures include the "segregation of duties, performing utility reconciliations, performing independent review of bank statements, and ensuring all disbursements are properly supported, approved, and paid in a timely manner." - Sand, in KCRG 6/24/25



Special Interest Reports

13 City-focused Reports released 2023 – 2024

Hamburg, Iowa Special Investigation

Concerns were also received regarding City officials, City employees, and their family members and friends receiving direct benefit from the funds awarded to the City.

So, why do they do it?

- Greed
- Arrogance
- Stupidity
- Bad Judgment

Determining Ethically Right or Wrong

- Level 1
 - What does the law say?
 - Attorney approval does not mean ethical.
- Level 2
 - —What will preserve the public's confidence?
 - What about your organization's Code of Conduct?

Determining Ethically Right or Wrong

- Level 3
 - -Would I be willing to defend my actions in the media?
 - Could I do so successfully?
- Level 4
 - What decision would my family be most proud of?

Held to a Higher Standard

Be Mindful: What could go wrong?

Perception = Reality

 Staff and Elected Officials forfeit the right to be regular citizens.



I knew it was wrong, but I didn't think it was illegal...the question I should have asked is not what is the rule, but what is the principle."

- Former ENRON CFO Andy Fastow

"People working in an ethical culture are routinely triggered to think, *Is it right* rather than *Is it legal?*"

Epley, N and Kumar, A. How to Design an Ethical Organization. *Ethics*. May-June 2019



The Annual Gift Basket Dilemma

- What do you do?
- Why do you do it?





Expectations and Responsibilities

- Dating and Romance
- Nepotism
- Accepting Discounts or Favors
- Development/Investment Conflicts
- E-Mail Social Media Texts Hot Mics
- Confidentiality

Expectations and Responsibilities

- Political Activity (Different for Staff and Elected Officials)
- Conflicts of Interest
- Off-Duty Activities
- Residency (Essential for Electeds; Consideration for Staff)



The only thing necessary for the triumph of evil is for good men to do nothing.

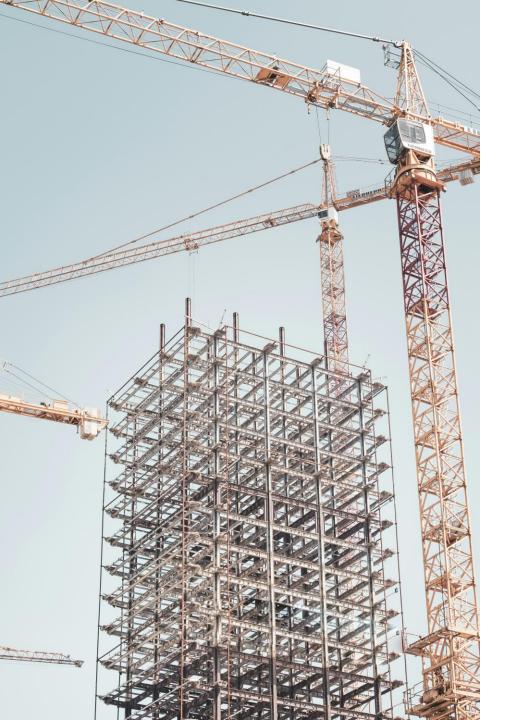
- Attributed to Edmund Burke

We all share responsibility for what takes place.

We must act, not be passive, in the face of wrongdoing.



Trust is our currency.



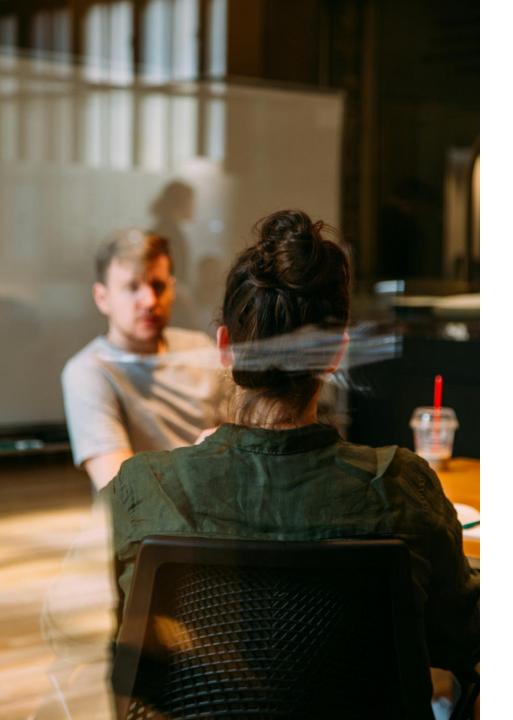
Real people are not purely good or purely evil but are *capable* of doing both good and evil. Organizations should aim to design a system that makes being good as easy as possible. That means attending carefully to the contexts people are actually in, making ethical principles foundational in strategies and policies, keeping ethics top of mind, rewarding ethical behavior through a variety of incentives, and encouraging ethical norms in day-to-day practices.

Epley, N and Kumar, A. How to Design an Ethical Organization. *Ethics*. May-June 2019



To avoid the slow emergence of unethical behavior, managers should be on heightened alert for even trivial-seeming infractions and address them immediately... if something seems amiss, they should consider inviting a colleague to take a look at the relevant data and evidence together... and therefore a clearer analysis of the ethics infraction.

Epley, N and Kumar, A. How to Design an Ethical Organization. *Ethics*. May-June 2019



Observation:

Illegality and unethical behavior rarely, if ever, goes unnoticed in the long run.

Tip:

Obey the voice in your head and the sense in your gut.

If you don't want to talk with someone about an issue, that's a sign!



Ethical Team Essentials

- A Code of Conduct
- A way to report observed violations anonymously.
- A mechanism for employees to seek advice on ethical matters.
- Training for all employees on code of conduct and ethics policies.
- A mechanism to discipline ethical violations and regularly review.

* Consider ways to encourage honesty in ethical lapses.

Jacobs, R. Building ethical cultures in public service agencies. *PA Times*. December 5, 2014

Questions? Let's Discuss!



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