You Think Your Boardroom is Political?

A Case Study from the City of Brotherly Love

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POLL EVERYWHERE
“All our municipal governments are more or less bad….Philadelphia is simply the most corrupt and the most contented.”

– Lincoln Steffens, 1903
CONGRATULATIONS, YOU'RE THE LOW BIDDER. BUT THINGS ARE DIFFERENT HERE...

I KNOW IN MY HEART THAT I HAVE NOT DONE ANYTHING ILLEGAL. HOW ABOUT IN YOUR HEAD?
“It’s a new day. It’s a new way.”

– Mayor Michael Nutter, 2008


Ethics in Philadelphia Government
An Evolution

- 2003: The "Bug"
- 2006: Ethics Board
- 2006: New Laws
- 2008: CIO Position
- 2009: ARRA
- 2011: Ethics EO's
- 2012: Open Data
- 2014: IG Stronger

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A Case Study from the City of Brotherly Love
City of Philadelphia: Workforce
A Snapshot

City government represents a large and diverse workforce.

30,000 employees
55 departments

The City’s workforce is overwhelmingly unionized

83%
City of Philadelphia: Workforce
A Snapshot

Three of the top five largest employers in the City are public entities.

<table>
<thead>
<tr>
<th>Rank</th>
<th>Organization</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Federal Government</td>
</tr>
<tr>
<td>2</td>
<td>City of Philadelphia</td>
</tr>
<tr>
<td>3</td>
<td>University of Pennsylvania</td>
</tr>
<tr>
<td>4</td>
<td>School District of Philadelphia</td>
</tr>
<tr>
<td>5</td>
<td>Children’s Hospital of Phila.</td>
</tr>
</tbody>
</table>

City’s Ethics & Compliance Program
Reporting Structure

PUBLIC
STATE ETHICS COMMISSION
Ethics Board
Chief Integrity Officer
Inspector General
Mayor
Inspector General
City Solicitor
City Controller
Risk Management
Chief Integrity Officer

Who Are We?

Created by Executive Order in 2008

- Promote honesty, integrity, and transparency in City government
- Jurisdiction over departments/contractors in the Executive Branch

Our Goals

1. The Office increases awareness of, and compliance with, ethics rules by being a proactive, responsive and reliable resource to City employees, vendors, and the public.

2. The City of Philadelphia becomes a model for transparent government operations through improved access to City information and on-going public engagement.

3. The Office prevents potential wrong-doing by proactively addressing ethical issues through the development of City policies and procedures in concert with City departments.

- Education/Outreach
- Provide Guidance (formal and informal)
- IntegrityWorks
- Open Data (contracts, vacant land, leases)
- Taskforce/Workgroups
- Policy-making
City’s Ethics & Compliance Program
Wins

Strong “Tone from the Top”

City’s Ethics & Compliance Program
Wins

Strong Network of Internal Watchdogs
City’s Ethics & Compliance Program

Wins

Integrity Office: Proactive Outreach & Communication

City’s Ethics & Compliance Program

Wins

Integrity Office: Open Data & Transparency Efforts
City’s Ethics & Compliance Program
Challenges

Jurisdictional Overlap & Limitations

<table>
<thead>
<tr>
<th>Agency</th>
<th>Executive Branch</th>
<th>Legislative Branch / Row Offices</th>
<th>Judicial Branch</th>
<th>City Contractors / Recipients of City Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Ethics Commission</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Board of Ethics</td>
<td>✔</td>
<td></td>
<td>✔</td>
<td></td>
</tr>
<tr>
<td>Inspector General</td>
<td>✔</td>
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<tr>
<td>Chief Integrity Officer</td>
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<tr>
<td>City Controller</td>
<td>✔</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>City Solicitor</td>
<td>✔</td>
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</tr>
</tbody>
</table>

City’s Ethics & Compliance Program
Challenges

Complex/Varied Public Integrity Laws

Gifts

- City Ethics Code
- Executive Order

Political Activity

- City Charter Regulation

Conflicts of Interest

- State Ethics Act
- City Ethics Code

Financial Disclosures

- State Ethics Act
- City Ethics Code
- Executive Order
City’s Ethics & Compliance Program
Challenges

Leadership Transitions

Regulatory Compliance Decentralized

<table>
<thead>
<tr>
<th>Example Regulation</th>
<th>Agency(s) Responsible</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADA</td>
<td>Various</td>
</tr>
<tr>
<td>EPA Regulations</td>
<td>Various</td>
</tr>
<tr>
<td>Insurance</td>
<td>Risk Management</td>
</tr>
<tr>
<td>Building Safety</td>
<td>L&amp;I</td>
</tr>
<tr>
<td>Grants</td>
<td>Various</td>
</tr>
<tr>
<td>OSHA</td>
<td>HR</td>
</tr>
<tr>
<td>Tax</td>
<td>Revenue/Water Revenue</td>
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</tbody>
</table>
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City’s Ethics & Compliance Program
Challenges

Lack of Resources: Office of the Chief Integrity Officer

2 employees
$0 budget

“Philadelphia works better for all of us with an ethical and open government, which is why making it more so should be high on the next mayor’s to-do list.”

- Philadelphia Inquirer, 2015
City’s Ethics & Compliance Program

The Future

- Broad charge for next Chief Integrity Officer
- Permanency of key oversight positions
- Sustaining the “gains”

SMALL GROUP BREAK-OUT
SHARE YOUR THOUGHTS
1. Discuss the wins & challenges of your own ethics and compliance programs.

2. What can the public sector learn from corporate best practices and vice versa?

Thank you!
Questions?

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