

Managing an EDO: Ethics, Conduct & Conflict!



Managing an EDO & Ethics Lab

Heartland
Economic Development Course
2024



INTERNATIONAL
ECONOMIC DEVELOPMENT
COUNCIL

Managing & Ethics Team

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- **Mark Dawson, CEcD**, Director, Greater Clinton Area Chamber of Commerce
- **Debra Teufel, CEcD**, President/CEO Hutchinson/Reno Chamber of Commerce
- **James Hoelscher, CEcD**, UNI Institute for Decision Making



Let's Take a Look: Economic Developers shall...



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Sexual Harassment

Chamber Director Arrested for Felony Theft: Chamber Bucks Used for Personal Expenses

City employee arrested for allegedly stealing utility deposits

Former County Economic Development employee charged with embezzlement

Community college official charged with using funds for wedding, travel

YourTown - Leaders of the local tourism bureau were misled about ticket sales, sponsorships and spending for a three-day music festival called Evolve, which leaders have learned sustained staggering losses.

Former Chamber of Commerce employee arrested on four felony charges

A former administrative assistant with the Chamber of Commerce was arrested Wednesday on four felony charges related to more than \$239,586.23 in improper disbursements from that organization.

....., 40., was charged with ongoing criminal conduct, theft in the first degree, unauthorized use of a credit card and forgery.

On June 25, 2018, the ---- Police Department requested the assistance of the Division of Criminal Investigations on a financial investigation involving ----Chamber of Commerce and the former administrative assistant. The office of the Auditor of State conducted an audit for the period of Oct. 1, 2013 through June 30, 2018. The audit report was released July 3, 2019.

The audit found 367 checks issued to her totaling \$236,313.03. Of those checks, 139 were payroll check; four were bonuses and two were reimbursements. Two-hundred twenty-two were unauthorized checks ranging from \$20 to \$2,000.

The audit also found that ---- had garnishments that should have come out of her payroll check, but instead came out of the Chamber account on seven dates. Auditors also found 846 debit card transactions with only 107 that were properly supported by chamber records.

Other examples from the audit using the debit card included:

- Twenty-one payments to cell phone providers, totaling \$3,507.82. The Chamber did not issue cell phones to employees and it was not the policy of the Chamber to pay for employees' personal cell phone bills.
- Eleven payments that didn't correspond with any business purchases to various hotels totaling \$2,719.72.
- Payment to a credit card company for \$1,513.20. "Because the chamber did not have a credit card, we determined the payment was for a personal credit card," the audit stated.
- Thirty payments to various local restaurants, totaling \$699.29 that didn't appear to correspond with any business purpose, according to the audit.
- Five payments to inmate telephone services totaling \$216.20.

Reasons for Unethical Behavior

- Pressure to Perform
- Pressure from Peers
- Lack of Understanding of Consequences
- Uncharted Territory
- Personal Loyalties
- Lack of Long Term Perspective
- Personal Cost for Doing the Right Thing May Be Too High
- Poor Judgement
- Improper &/or Inadequate Training



WHAT ELSE?

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UNETHICAL BEHAVIOR WITNESSED IN THE WORKPLACE

Most commonly, people encountered experiences that could be described as:

- Rule violations (29%)
- Lying (27%)
- Unhealthy work environment (27%)
- Sacrificing safety (9%)
- Discrimination (3%)
- Stealing (3%)
- Bullying (2%)



75% of black women say organization does not take full advantage of their skills, **63%** don't see a path to advance. (2022 Black Women Thriving Survey)

38% of all women & **14%** of men have reported experiencing sexual harassment at work (Kearl, Johns, & Raj, 2019)

How Common Is Unethical Behavior in U.S. Organizations?
by Zorana Ivcevic, Jochen I. Menges, and Anna Miller
March 20, 2020

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HOW TO PREVENT UNETHICAL BEHAVIOR



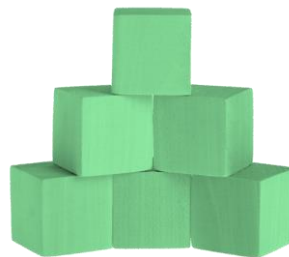
- The invitation to employees to voice their concerns and stresses has to be accompanied by the **willingness to hear and accept what is shared.**

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Your Organization Needs Someone to...

- Explain the underlying ethical principals
- Clarify proper ethical behavior
- Differentiate between ethical & legal/illegal behavior
- Present practical ways to carry out procedural guidelines



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Ethics Lab Work Teams

What do you think?

Let's Take a Look: Economic Developers shall...

- **Bring respect to the profession**
- **Practice with Integrity, honesty & trust - in fact & appearance**

Panel Checklist

- ✓ What do they mean?
- ✓ What do they look like in action?
- ✓ What are the landmines?
- ✓ Tips to Remember
- ✓ What could strengthen these?



Ethics Lab Work Teams

What do you think?

Let's Take a Look: Economic Developers shall...

- Hold free of interest, influence or relationships impacting judgement & objectivity
- Be mindful representatives of the community & represent overall community interest

Panel Checklist

- ✓ What do they mean?
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- ✓ What could strengthen these?

Let's Take a Look: Economic Developers shall...

- Keep the community, officials, boards & stakeholders informed of ED progress & efforts
- Maintain confidence of clients, colleagues & orgs & do not disclose confidential information
- Openly share information with governing body according to protocol. Disclose protocol to clients

Panel Checklist

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Ethics Lab Work Teams

What do you think?

Let's Take a Look: Economic Developers shall...

- Assure development is conducted with equality for community without regard for race, religion, sex, orientation, age, political affiliation
- Refrain from sexual harassment or any unwelcome conduct of sexual manner

Panel Checklist

- ✓ What do they mean?
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Let's Take a Look: Economic Developers shall...

- Not exploit the misfortune of federally declared disaster regions – including the recruiting of businesses

Panel Checklist

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Ethics Lab Work Teams

What do you think?

Let's Take a Look: Economic Developers shall...

- Cooperate with peers for the betterment for economic development & strive to perfect one's abilities through training & education
- Abide by the Code & comply with IEDC's rules for professional conduct

Panel Checklist

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Ethics Lab Work Teams

What do you think?

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