



# Ethics in Economic Development

Managing an EDO & Ethics Lab

## Managing & Ethics Team

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



## 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 \$236,586.23 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 \$236,586.23. Of those checks, 139 were payroll checks; 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 various 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 \$3,507.62. 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 \$1,511.20. "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
- Improper &/or Inadequate Training
- Poor Judgement
- Personal Stress



## Your Organization Needs...

- Explanation of underlying ethical principals – code of conduct
- Clarification of proper ethical behavior
- Differentiation between ethical & legal/illegal behavior & poor form
- Clarity on practical ways to carry out procedural guidelines
- Staff & Board members empowered to voice their concerns and stresses accompanied by a willingness to hear and accept what is shared
- Regular discussion, role playing/practice scenarios & review of violations in the industry

Proactive Prep or  
Damage Control

You get to decide...



# Ethics Lab Work Teams



## REVIEW:



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Wednesday:

## Company Tells Iowa's Mason City: No Hog Plant For You

Prestage Farms has told Mason City and Cerro Gordo County officials that the company will no longer consider the city as a site for a new pork plant.

By Associated Press

Jan 9, 2016