

# Jennings' Seven Signs of Ethical Collapse in Illinois Government

State Internal Audit Advisory Board Conference

October 29, 2013

Springfield, Illinois

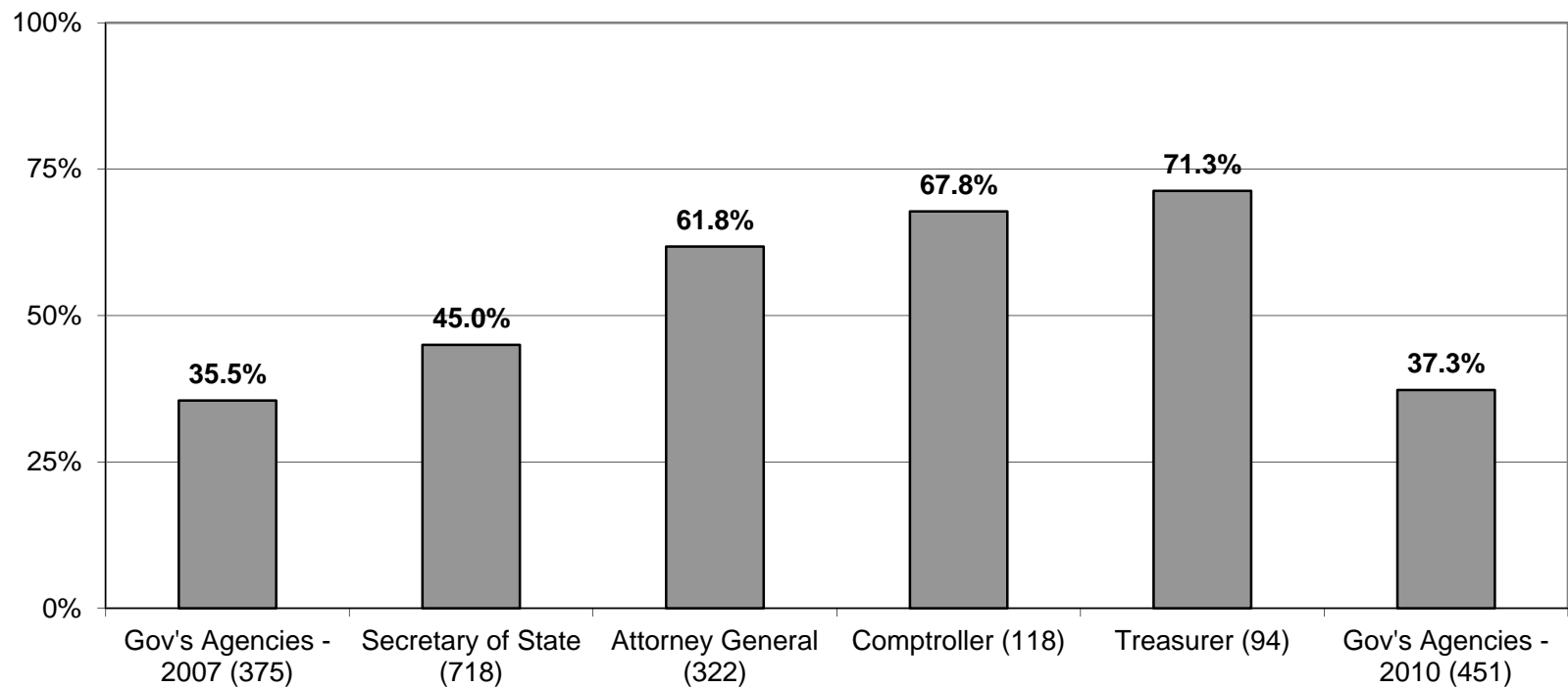
# Pressure to maintain numbers

- In the business world, earnings per share
- In State government
  - Case workers to handle # of cases?
  - State Police to write tickets?
  - ALJs to resolve # of cases?
  - University pressures?
  - Budgeting for Results?
- Antidote—numbers within ethical borders

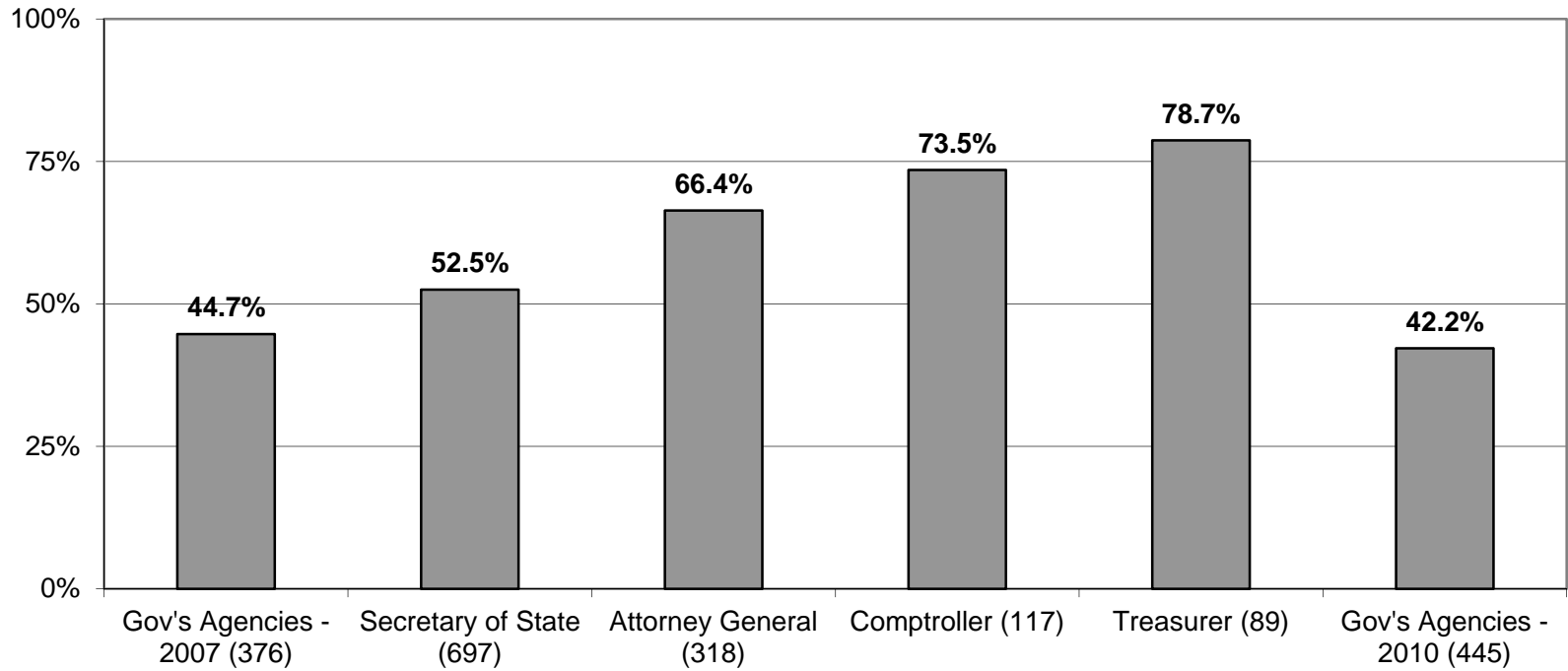
# Fear and Silence

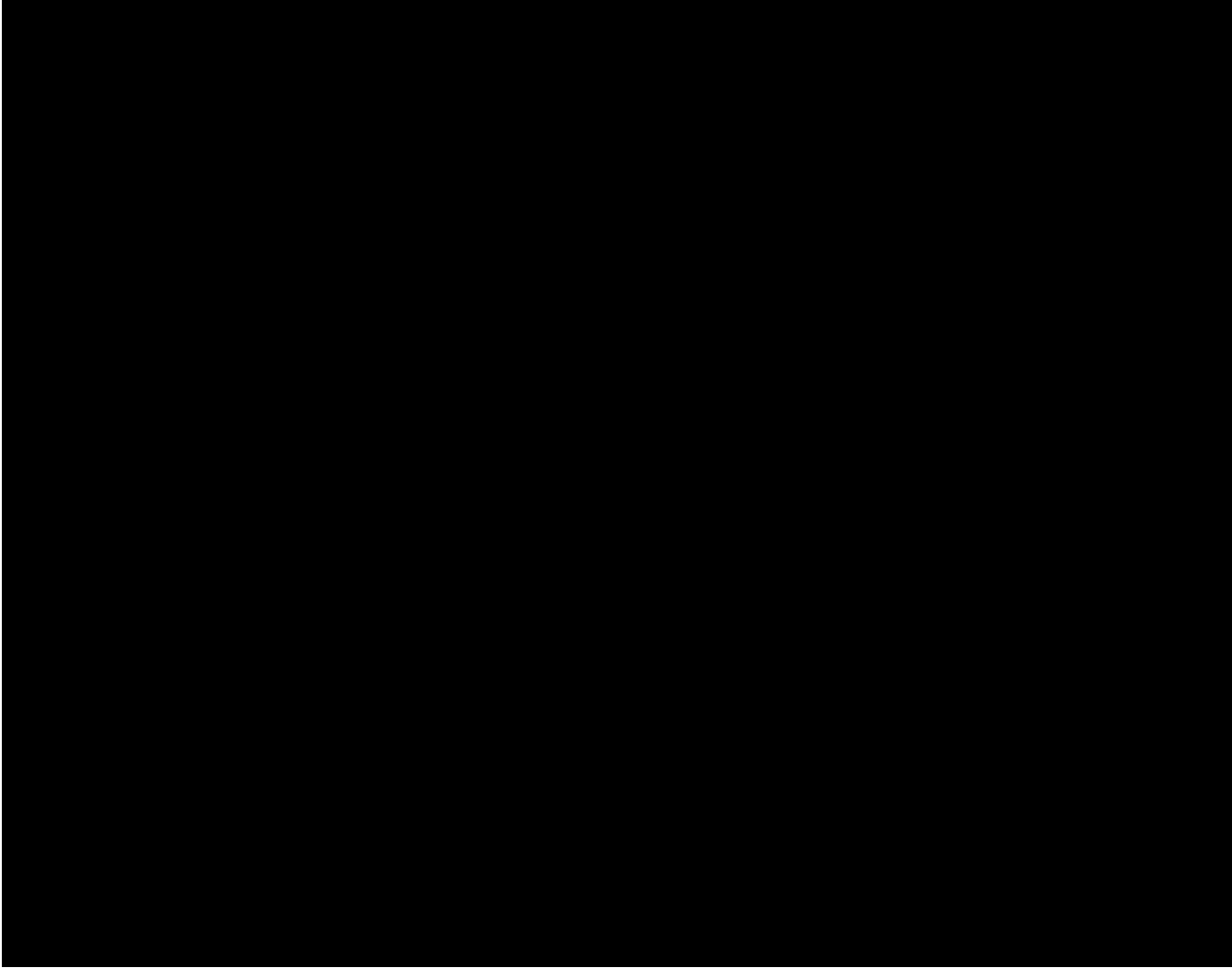
- Retaliation, nothing will be done, ignorance
- In State government:
  - Survey demonstrates fear
  - Whistle blowers
- Antidotes
  - Encourage employees to speak up
  - No retaliation
  - Remind employees that bad news happens

## Employees Who Report Misconduct are Not Retaliated Against



## Office Follows Up on Ethical Concerns Reported by Employees





# Young ‘uns and a larger-than-life CEO

- “Yes men” and an iconic CEO
- In State government
  - Security detail to California
  - Use of State plane
  - Very young, inexperienced agency directors
- Antidotes
  - Beware iconic CEOs
  - Mold and shape the young ‘uns

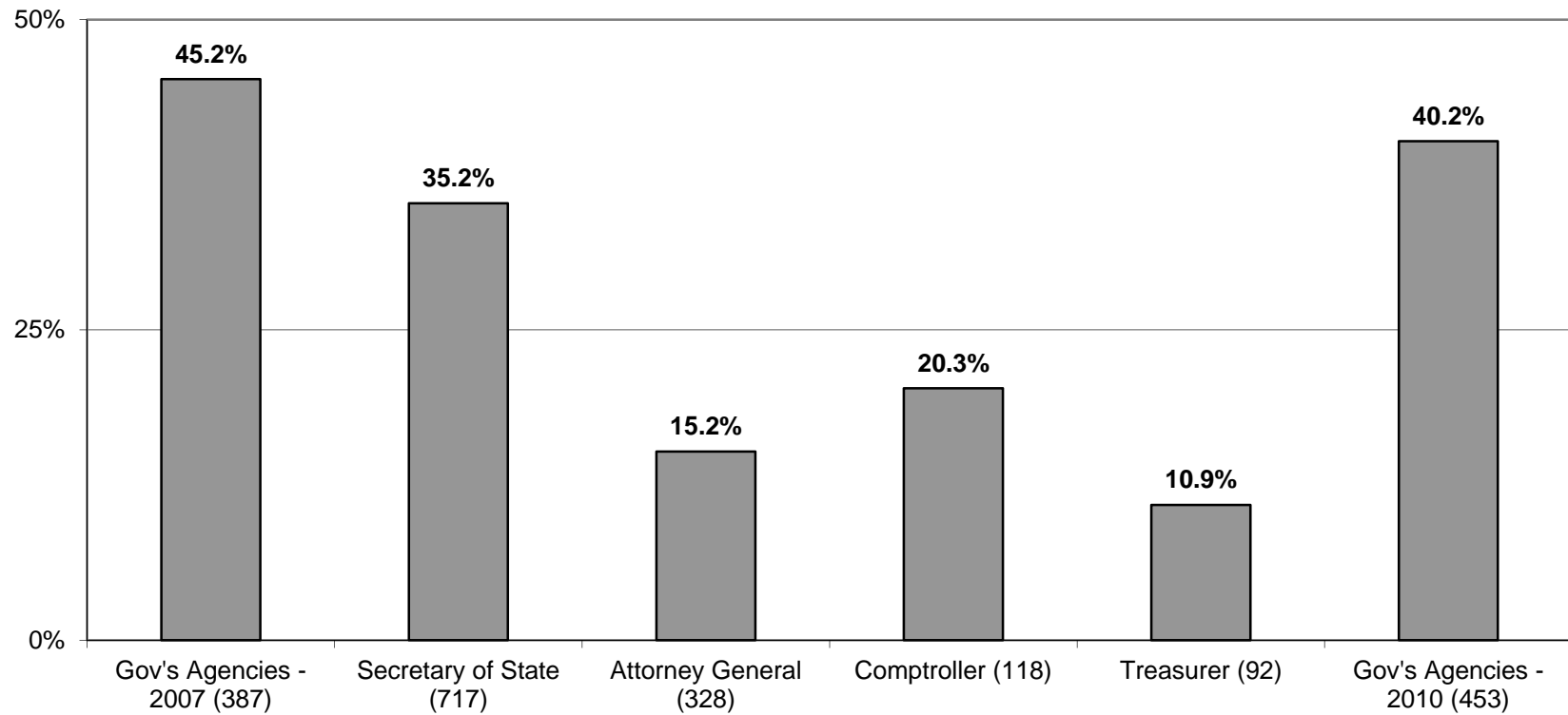
# Weak Board

- Board of Directors is a rubber stamp for CEO
- In State government:
  - Agency directors as “figureheads”
  - Chief of Staff or Assistant Director runs everything
  - No cabinet meetings, info flows one way only
- Antidotes
  - Get stronger directors
  - Listen to employees

# Conflicts

- Direct interest in State contracts, lobbying
- Favoritism, cronyism, nepotism
  - Appointments to Boards and Commissions
  - Contracts steered to contributors
  - Revolving door
- Antidotes:
  - Recognize and disclose or eliminate conflicts
  - Review relationships, (SEI)

## Senior Officials Less Likely to be Disciplined for Violating Ethical Standards



# Innovation Like No Other

- We're so brilliant that rules don't apply to us
- In State government:
  - Don't need General Assembly, JCAR
  - Debt can be refinanced ad infinitum
  - Sell State assets
  - CMS Audit
- Antidotes
  - Recognize limits on ability
  - Honesty and candor

# Goodness Atones For Other Evil

- Philanthropy and civic-mindedness touted while engaged in wrongdoing
- In State government:
  - Working hard for the “Average Joe”
  - Bringing health care to children and impoverished
- Antidotes
  - Explore motivations for apparent good deeds
  - Be very skeptical of philanthropy