In this issue of our newsletter we explore the ethical issues surrounding recruitment. In recruitment as in other aspects of our work, we need to be bold! DAI and other development implementers are trying to limit the risk of hiring employees who will engage in sexual harassment and misconduct, commit ethical violations, or generally don't fit. Many of the cases we share in this publication could have been avoided if we had been aware of earlier violations or behavior by the perpetrators—so please be forthcoming.

We need to hear from you! In our continuing efforts to promote a safe, respectful, and ethical workplace, DAI is collecting practical solutions to ethical problems and lessons learned in the course of our work. As you discuss some of these case studies, think about similar situations your project has encountered and the strategies used to address them.

Finally, please consult your COP, Team Leader, and/or home office team for guidance and advice when you face uncertainty. Remember, you are not alone!

Three key takeaways from this issue:

- Ask the difficult questions – and answer them in turn
- Verify, verify, verify
- No compromising on integrity

If you have any questions or concerns about behavior related to the *Code of Business Conduct and Ethics*, talk with your supervisor. You can also send an email to ethics@dai.com, call the ethics hotline at +1-503-597-4328, or visit www.dai.ethicspoint.com.

You can also reach out directly to: *Mike Walsh*, Chief Ethics & Compliance Officer (mike_walsh@dai.com, 301-771-7998) or *Jeremy Finch*, DAI Europe's Director of Internal Audit and Ethics & Compliance Officer (jeremy_finch@dai.com +44-7834-439974).

This document and additional materials can be found at: http://dai-global-conduct.com/global-citizenship/respect-and-no-harassment/

Recruitment

Case Study 1

The Technical Lead on a DAI project was pleased to recruit for a key consultancy a highly regarded expert – someone who was highly sought-out by competitors in the sector. The consultant had just left employment with another firm, the understanding being that he was too expensive. Speaking to a friend who worked at the firm that had employed the consultant, the Technical Lead learned that the consultant had been terminated not for reasons of cost but for sexual harassment. Given the sensitive nature of such an allegation, the Technical Lead contacted another person she knew at the firm. She was careful not to raise the allegation, but as they talked about the behavior of the consultant in the office, the contact began to raise concerns about possible sexual harassment. Recalling two promising young women who worked for him resigning abruptly, he remembered the consultant's comment: "I've got to hire for my weakness—young and female." The Technical Lead then raised her concerns with the Deputy COP and the COP. The Deputy knew the Director of the firm involved so he agreed to contact him for a frank conversation. The Deputy told the Director of the project's intent to hire the consultant and asked, without making any accusation, "Is there anything we should know?" The Director confirmed that the consultant had been fired for sexual harassment and provided the details. While the Technical Lead was pleased to avoid hiring this known harasser, she had to continue her search to fill the consultancy.

This case study illustrates the value of careful reference checks. It also highlights the tension between using informal networks and sources of information about candidates and working in a straightforward manner with the candidate who did not disclose the reason for his departure from his prior employer.

It is important to DAI to address the issue of sexual harassment head on. We do not want to pass along individuals who have been let go from DAI for harassment or other misconduct – either to other organizations or our own projects! We want to feel confident in our due diligence when we bring someone new on board.

As we work to improve our policies, procedures, and training on this important issue, we would love to hear from you rather than only offering our own answers. What are some of the approaches your project has taken or would consider taking?

Does your project:

- Reject candidates based on an informal disclosure by another organization of sexual or other criminal misconduct?
- Provide references to other organizations regarding credible evidence of sexual or other criminal misconduct that served as a basis for a disciplinary action, including termination?
- Require candidates to self-disclose/certify prior issues of misconduct and termination of past employment in the application?
- Reject candidates who disclose misconduct/termination for ethical issues, or those who refuse to self-disclose/certify, or those who refuse to permit their former employers to disclose misconduct/termination?

Case Study 1 cont.

Does your project:

- Request consent to disclose any misconduct or termination information by former employers during the verification of references?

- Ask references whether the candidate was subject of a disciplinary measure, termination, non-renewal/non-extension or resigned while under investigation or during disciplinary proceedings? (This is a more specific question than asking the reason why the candidate left the job. Assure the reference that this information will be kept confidential.)

- Work with your project management team to vet candidates against DAI's Recruitment Management System (RMS) database in addition to the usual client-based and international vetting websites, such as SAM?

- Maintain a "do not recruit" list?

- Hire for the short-term before transitioning employees to long-term assignments?

Case study 2

The project urgently submitted a replacement Financial Management Advisor candidate to the client to replace the incumbent who departed with little notice. The candidate provided a scanned copy of his master's degree in business administration (MBA) along with a list of his MBA courses and grades. Based on this information, the project submitted the documents before validating the degree. Project management worried when emails to the university for validation were not answered. Finally, the HR assistant was able to get through to the university's records department, which confirmed that the candidate had graduated. But to be clear for the record, the HR assistant persisted, "with an MBA?" The person asked the assistant to hold on while she checked a second database. Getting back on the line, the person explained that the candidate graduated with a bachelor's degree in accounting and had taken only three classes for his MBA before dropping out.

The candidate was quickly dropped, and the client was informed. In reviewing this case, the project noted that it was difficult to identify the fake diploma.

Due diligence requires awareness, not just going through the motions in the press of time. Over the years, DAI has discovered multiple instances of fraudulent university degrees, falsified salary claims, and inflated experience – when this happens after the employees have been hired, it means time-consuming dismissals and project disruptions.

Don't forget to:

- Conduct document review with awareness.

- Be careful about taking shortcuts or making quick judgments before completing due diligence.

- Verify the highest academic degree, especially if the degree is a stated qualification.

- Google public sources of information to help verify qualifications.

- Document the file with evidence that you checked Government and International Organization (for example, UN) web-based databases.

More information on vetting can be found in the *Code of Business Conduct and Ethics* website under [Exercising Due Diligence](#).

Case study 3

During his job interview, a previously confident grants manager candidate quickly became concerned when he was informed by the chair of the hiring committee that DAI must contact his employer for reference checks. The contact person identified in his application confirmed only his dates of employment in an e-mail and nothing further. The Operations Director called her counterpart at the company for "off-the-record" feedback. Her counterpart told her, "Oh, he will be missed." Asked about his ability to get the work done, her counterpart said, "Everyone loves him." In response to her question about his knowledge of regulations, her counterpart paused and simply stated, "He is such a great guy." Nevertheless, DAI hired the candidate. In retrospect, the Operations Director realized what she was not told. Yes, the grants manager was liked, but he could not perform as a grants manager. Three months into his DAI employment, a counterpart from another firm called, asking for a reference check on him as he had applied for a job at another company. The Operations Director told her counterpart that the grants manager is a "great guy, and everyone loves him," and "he will be missed."

While passing along a problem to another firm might appear to meet an immediate need, it jeopardizes our reputation, and in serious issues such as harassment and sexual misconduct, puts others at risk. We need to show candor in our references, just as we would expect from our counterparts in response to our own reference checks.

Reference checks add an essential external perspective in addition to what candidates want you to know through their resumes and interviews. What they have done and how they have accomplished it is best judged by others. Cast the net wider by speaking with references beyond those provided. And listen carefully to what is said and what is left unsaid.

Does your project:

- Use a general release form that informs the candidate that DAI reserves the right to reach beyond the references provided?

- Ask references for frank opinions about the candidate's strengths and weaknesses, how the candidate performs under stress, how he/she treats colleagues and staff? In addition to the candidate's technical skills and experience, does he/she know and follow company rules and procedures? Ask open-ended questions.

- Consistently complete documented performance evaluations for staff and consultants so that fact-based information can be provided in response to reference checks?

- Consult with other projects and the client's country office, and any other references beyond those provided by the candidate?

Case study 4

To quickly mobilize and begin providing urgently needed humanitarian relief, many international NGOs arriving in Syria hired entire teams from other organizations and had little time to conduct thorough reference checks. USAID's Inspector General told DAI employees this story in a fraud awareness training. The presenter explained that once a few key people were hired, they managed to bring their cronies and clan members into the organization as well. They began colluding to channel large awards for humanitarian supplies to clan-owned suppliers. The clan also used intimidation to ensure that other vendors did not bid. The prices were inflated, and the food, health and welfare supplies delivered were substandard or literally garbage, mixed with old rags and rocks to appear as though the boxes were full. The colluders inside the NGOs easily circumvented internal controls and falsified documents. Irregularities were disregarded by NGO management in the context of the urgent humanitarian operations. Ultimately, the clan was involved in extensive fraud throughout the Syrian relief effort, jeopardizing the lives and wellbeing of refugees. Hotline reports of substandard goods and disclosures of procurement irregularities instigated investigations that resulted in USAID suspending programs, organizations, and individuals, costing millions to otherwise reputable humanitarian organizations.

DAI projects are often strengthened by professionals who have worked together before and are networked with others in the country and beyond. However, if these networks are abused to collude with vendors and grantees to commit fraud, rig proposals, and or hire other cronies, the project and its beneficiaries are seriously damaged.

Takeaways:

- Welcome professional and personal references, but the project must conduct and document diligent reference checks.

- Inform your supervisor and those responsible for HR and recruitment when a friend or relative applies for a job on the project. This transparency permits management to adjust responsibilities and procedures to avoid the appearance of favoritism and maintain uncompromised review and approval processes.

- Follow and document each step in the hiring process to assure fairness and transparency. A common complaint received through the ethics hotline is tribal and ethnic favoritism in the recruitment process.

- Reach out to experienced managers and supervisors when faced with uncertainty or concern in recruiting. Their hard-earned wisdom can be helpful in identifying and attracting professionals to DAI who will embody our corporate values of integrity, responsibility, excellence, and global citizenship.

Position the Project to be Bold …

Even our best efforts to recruit the most qualified candidates and with due diligence do not prevent DAI from hiring employees who violate the Code of Conduct or are not able to perform. To position DAI to take effective actions in separating these employees, be sure to document issues and resulting actions as they arise. Keep your project management team and HR informed of these issues as they occur. Finally, work with HR to ensure that the latest employment agreement is being used, as it will contain language under which employees may be terminated. Check in with the local labor lawyer over the course of the project to assure that the language is up to date. If DAI wishes to terminate an employee because of a serious and proven infraction such as sexual misconduct or other ethical violations, it is possible to do so quickly and in compliance with local labor laws rather than delay action while lawyers are consulted.

Case Study 4 cont.

- Position the project to take immediate action when an employee violates the *Code of Business Conduct and Ethics* or the law. During start-up, document local labor law standards for disciplinary actions, including termination. Document issues early. Projects are empowered to take necessary and immediate action.

- Keep in mind: working in dangerous and remote areas is difficult and risky, but it is not an excuse. The client will assert that we signed the contract and assumed the risk. Now manage it.