ORDINANCE NO. 66 Series 2009

AN ORDINANCE ENACTING A NEW SECTION OF THE LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT CODE OF ORDINANCES [LMCO] TO ESTABLISH AN ANONYMOUS ETHICS TIP LINE (AS AMENDED)

PRIMARY SPONSOR: COUNCILMAN KEVIN KRAMER, DIST. 11

CO-SPONSORS: COUNCILWOMAN TINA WARD-PUGH, DIST. 9
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COUNCILMAN ROBIN ENGEL, DIST. 22
COUNCILMAN GEORGE UNSELD, DIST. 6
COUNCILWOMAN JUDITH GREEN, DIST. 1
COUNCILMAN DAVID TANDY, DIST. 4
COUNCILMAN BRENT ACKERSON, DIST. 26

WHEREAS, Commonwealth of Kentucky Auditor Crit Luallen has concluded in her report on the Housing Department that an independent reporting mechanism for this community is vital; and

WHEREAS, Commonwealth of Kentucky Auditor Crit Luallen and numerous independent groups believe it is vital that employees understand their rights, the ethics guidelines, and have an avenue to bring forward their concerns that without fear of retaliation; and

WHEREAS, the 2008 Audit of the Louisville Metro Government Ethics Program by the Louisville Metro Auditor recommends a reporting system that facilitates anonymous reporting and provides coverage 24 hours daily, 7 days per week; and

WHEREAS, the Association of Certified Fraud Examiners(ACFE) and the Society of Corporate Compliance and Ethics (SCCE) recommend the use of a third party anonymous tip line to assist in efforts to reduce fraud and give the citizens and employees of this community a channel to divulge their concerns; and

WHEREAS, a report to the Nation funded by the ACFE showed the average organization without a hotline lost $135,000 to fraud while those with hotlines lost only $56,000; and

WHEREAS, Some Metro government employees may not feel protected by the current whistleblower policy and would rather remain anonymous; and

WHEREAS, trust is considered key in getting real results from a dedicated hotline, which can save time due to the adequate experience of employees who understand with training when a call is a prank or when it is placed by a disgruntled employee or someone seeking to waste government's time; and

WHEREAS according to the ACFE, 71% of hotline cases were the first notifications of an alleged ethical violation, 65% of hotline cases warranted an investigation and corrective action was taken in more than half of those cases;

NOW THEREFORE, BE IT ORDAINED BY THE LEGISLATIVE COUNCIL OF THE LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT [THE COUNCIL] AS FOLLOWS:

SECTION I: A new section of the LMCO is hereby enacted as follows:

(A) The Council hereby establishes a third party operated anonymous tip line [the "tip line"] that will offer the Metro Government employees and citizens of this community a resource to ~~telephonically~~ report privately their concerns of alleged unethical or illegal actions and/or behavior by another employee or official serving Louisville Metro in writing, by telephone, or through electronic means such as web or e-mail.

(B) Complaints received will be forwarded to the Louisville Department of internal Audit and any that are believed to be of merit by the tip line operator shall be forwarded to, but not limited to, one or more of the following Metro Government Departments for proper investigation: Metro Ethics Commission, Metro Human Resources, the Metro Human Relations Commission or the Louisville Metro Police Department.

(C) The tip line will be available 24 hours a day, seven days a week and shall provide a toll free telephone number.

(D) A monthly statistical summary of activity and results of investigations generated by the tip-line, which is not descriptive of any readily identifiable person, shall be given to each department listed within this ordinance along with members of the Louisville Metro Council and Office of the Louisville Metro Mayor

and shall be available for public inspection. The monthly statistical summary shall list information including, but not limited to the date of the original report, an identification of the report by number, the type of issue identified or alleged, the department in which the issue is alleged to have occurred, and any resolution of the report. The monthly statistical report shall list all pending or unresolved complaints and shall be in a form substantially similar to that provided as attachments 1,2, and 3 hereto.

(E) Funding for this ordinance shall be made available through the Office of the Louisville Metro Internal Auditor. The Louisville Metro Internal Auditor will administer the contract with the tip line service provider.

(F) Within 45 days of the effective date of this ordinance, the Louisville Metro Internal Auditor shall draft and submit to the Metro Council its policies, rules, and regulations for the administration of this ordinance including, but not limited to, any contracts required for administration of the ordinance, reports to be made and records to be maintained. If the Metro Council does not approve, amend, or reject by resolution the Louisville Metro Internal Auditor's policies, rules, and regulations and any related contracts, within 45 days after submission to the Council, such polices rules and regulations shall go into effect the 46th day after submission.

SECTION II: EFFECTIVE DATE. This ordinance shall take effect no later than ~~3~~ 6 months after its passage and approval.

Kathleen J. Herron
Metro Council Clerk

David W. Tandy
President of the Council

Jerry E. Abramson
Mayor

Approved: 5-18-09
Date

APPROVED AS TO FORM AND LEGALITY:

Michael J. O'Connell
Jefferson County Attorney

BY:

LOUISVILLE METRO COUNCIL
READ AND PASSED
May 14, 2009

Anonymous tip line: Filed version 3-20-09 – ROC-ml/pm
Anonymous tip line: Amended 3-25-09-ROC-ml
Anonymous tip line: Final – 4-3-09 -ROC-ml/bw
Anonymous tip line: Final 4-6-09
Anonymous tip line: Substitute 4-7-09
Anonymous tip line: amendment by sponsor – ROC-ml
Anonymous tip line: amendment 4-20-09 – ROC-ml
Anonymous tip line; Committee Amendments 4-22-09 – ROC-ml