What a Great Idea!

It’s a phrase I am fortunate to find myself repeating over and over again as your new Chair. We are in the enviable position of having an active and articulate membership eager to contribute to the success of the Section and its mission. Here are just a few of the new initiatives the Section is moving forward, and the members who are turning these great ideas into reality.

• The Ethics Section was asked to develop the Knowledge Community website prototype for ASPA and to be the first Section featured therein. Linked directly to the ASPA National site, the Knowledge Community provides resources, contacts, and avenues for learning in key areas. The work in progress can be accessed at http://aspa.habitathosting.com and your opinions are welcomed. Rod Erakovich, who can be reached at roderakovich@home.com, our new Communications Director, is the one to credit for spearheading this effort.

• Every issue of PA Times will feature an article written on behalf of our Section. Volunteers to author these articles represent a terrific balance between scholars and practitioners, including, to date, Don Menzel, Willa Bruce, Russ Carlsen, and Alexis Sovinsky. Rod Erakovich is coordinating this effort as well and you are encouraged to contact him for planned topics and deadlines.

• Ethics Today is now featured on the United Nations’ UNPAN website (http://www.unpan.org then click on the North America button), making Section news available to a worldwide audience. Erik Bergrud (ebergrud@aspanet.org) is the member responsible for this significant development.

• Voting for Section Executive Council members and Chairs Elect will now occur in advance of the annual meeting via electronic or postal mail as appropriate. This will broaden the voting process to include members unable to attend the meetings. Our Section Secretary, Mel Dubnick (dubnick@mediaone.net), will oversee the distribution, collection, and counting of ballots. Special thanks to all Section members who shared their ideas and opinions in bringing about this change.

• The Section is actively investigating grant opportunities with the potential to strengthen our ability to offer student stipends, support ethics research, and advance the Section’s mission. Our new Grants Coordinator, Lyn Holley (Lyn_Holley/CPACS/UNO/UNEBR@unomail.unomaha.edu), is to be congratulated for her work on the Section’s behalf. She welcomes any grant suggestions you may have.

See Great Idea, page 6
What Did the Section Do During the 2001 ASPA National Conference? They Held 2 Meetings Members Should Know About!

Executive Committee Meeting Minutes

A meeting of the ASPA Ethics Section Executive Committee convened Sunday, March 11, 2001 at 2:15PM at the Robeson Center, Room 224 on the Rutgers University-Newark campus.

1. Public Integrity: Jim Bowman reported that Westview Press was going out of the journal publication business and Public Integrity would have to find a new publishing home. This may require more money from the section, and thus a likely increase in section dues. He estimated that new publishers are likely to ask for $25 per membership subscription. General discussion about options followed with acknowledgement of the journal’s value expressed, as well as concern about the impact of raising dues on membership numbers. Jim will report back to the Section with the publishers’ proposals after consideration by the PI Editorial Board.

2. Ethics Today: Russ Williams reported that the award winning tradition of ET continues, as does the need for contributions for future issues. He stressed the need for external input and feedback from Executive Council members and others.

3. Executive Committee Nomination Process: Jean-Claude Garcia-Zamor reported on the nominations process and some issues were raised regarding the expected level of involvement for nominating committee members. Discussion focused on the need to articulate procedures that will assure full involvement of committee members in the future. Vera Vogelsang-Coombs, who chaired this committee the previous year, shared the protocol followed at that time. General agreement with that approach was acknowledged.

4. Student Paper Award: Terry Rhodes presented suggestions on policies for dealing with multiple authors and distribution of conference registration awards. Discussion focused on the need for clearer guidelines and laying out of expectations and parameters for paper submissions (e.g., no dissertations). Executive Council members were encouraged to become actively involved in soliciting submissions for this competition. Vera Vogelsang-Coombs will work on developing these guidelines and volunteered to chair this committee for 2001. The guidelines she develops will be distributed early enough to allow for faculty and students to submit papers on a timely basis.

5. Knowledge Community: This topic followed up on the e-mail message sent February 16 to ExCom members. ASPA is developing "Knowledge Communities" as part of its website, and would like the Ethics Section to be involved in the next step (following the example at http://www.astd.org), which in turn would be used as a prototype for future ASPA Knowledge Communities. It would help this

6. Membership Chair: There has been discussion of formalizing the position of Membership Chair, which was approved by the Executive Committee, and Don Menzel has been asked to continue his efforts in this capacity.

7. An "Ethics Council" for ASPA: Stu Gilman reviewed the history of efforts to establish a mechanism that would provide advice, guidance and support for ASPA in regard to the Code of Ethics. The bottom line is that ASPA Steering Group 3, chaired by Allen Lomax, took jurisdiction and issued a report outlining four options which Stu reviewed. Stu noted the drawbacks to each of the options, and discussion generally supported his position.

Evan Berman offered the following motion (seconded by Willa Bruce):

1. The Section on Ethics encourages the leadership of ASPA to pursue the scheduled review of the ethics code and to consider the establishment of appropriate bodies.

2. However, the Section does not regard itself as the appropriate venue for either task.

The motion was passed unanimously.

See Excom, page 5
General Meeting Minutes and Executive Committee Election

The annual meeting was convened by new Section Chair Carole Jurkiewicz at 7:45 AM, March 12, 2001 in the Robeson Center at the Newark campus of Rutgers University. Thirty-two Section members were in attendance at the outset.

1. Meeting convened. Carole thanked outgoing Chair Stu Gilman and announced that membership now stood at 338. Special note taken of the section’s newsletter, Ethics Today, winning the ASPA award for best section newsletter for the second year in a row. Stu and Carole distributed certificates of gratitude to section members who served in special capacities this past year.

2. Nominations for Executive Committee and Election: Jean-Claude Garcia-Zamor reported the nominations for ExCom membership. Eight individuals were nominated for the four open positions:

John M. Aughenbaugh
Robin M. Bittick
Raymond W. Cox
Carol W. Lewis
Cynthia E. Lynch
Terrel L. Rhodes
Vera Vogelsang-Coombs
Richard D. White.

Those present made brief statements or had statements made on their behalf.

Balloting followed.

[Election results: Elected were Vera Vogelsang-Coombs, Raymond Cox, and Terrel Rhodes. A tie vote for the fourth position between Carol Lewis and Cynthia Lynch was resolved by coin toss in Cynthia Lynch’s favor.]

3. Miscellany: Outgoing Chair Stu Gilman recognized Section achievements as well as various people who served the Section over the past year. Special note was taken of Carole's work on Ethics Today as well as at Russ Williams’s efforts as the new editor. David Lowry, Director of Chapter/Section Relations for ASPA was recognized for his exceptional service, as was Don Menzel for his membership chair activities. Debra Stewart resignation from the Executive Committee was noted.

4. Student Paper Award: Terry Rhodes reported on the Annual Student Paper Award, won this year by Anjanette Zaneta Scott, Matthew Fuller, and Mee Young Han from the LBJ School at the University of Texas at Austin for their paper, “Who's Watching the Watchdog: The Scandal of California Insurance Commissioner Charles Quakenbush.” Vera Vogelsang-Coombs will chair next year’s competition, and papers can be submitted in the fall.

5. Ethics Today Report: Russ Williams reported on ET, and urged more input and feedback from Section members.

Electronic posting of the newsletter will soon be linked through UN website.

6. Treasurer’s Report: The report given by Treasurer Fred Meine was received without objection.

7. Public Integrity: Jim Bowman reported on PI and the search for a new publisher. The journal is seeking more library adoptions. He noted that the move to a new publisher will probably result in a dues increase for Section members in order to cover subscription costs. He gave special thanks to Jonathan West, Evan Berman and Richard White.

8. Membership and Communications: Don Menzel reported on his various activities, including maintenance of the Section website and development of Ethics Reporter. Membership numbers 348 as of recent count (see Item 11).

[8a. Don noted that he is seeking nomination for ASPA presidency. A motion to support his nomination and candidacy passed.]

9. Knowledge Community: Reviewed was a proposal for the Section to help develop a “Knowledge Community” site as part of an ASPA initiative. Modeled on the work of the American Society for Training & Development (ASTD) (http://www.astd.org), it would also serve as prototype and See General Meeting, page 5
Ethics Lessons Learned at an Awards Ceremony

Sitting in a darkened auditorium at this year’s National ASPA Conference Awards Ceremony, I applauded politely and respectfully for the various awardees. I did not know many of them personally. However, meaningful awards are based on meritorious action, not personal acquaintance. My assumption was that these awards were meaningful.

The words of one awardee, Dwight Ink, however, left no need for assumptions regarding the appropriateness of the honor bestowed upon him. His acceptance speech for the Elmer B. Staats Lifetime Achievement Award for Distinguished Public Service, perhaps appropriately in this era of benchmarking and performance measurement, contained clear guidance for those seeking an ethical standard against which to judge the quality of their service to the public. It also reiterated the unceasing need for public administrators to serve as exemplars and mentors.

Speaking about his early career, Mr. Ink described what he learned from LeRoy Harlow, the city manager under whom he held his first public service position. In watching his mentor during an ethical crisis, Mr. Ink formed the basis for his own actions during subsequent decades of public service. In his words:

Working with Harlow taught me basic values that left an indelible impression on me, most of all the value of earning the public trust. This meant, for example, learning how much easier it is to just say no the first time there is pressure to compromise integrity than it is to say no the second or third time. In fact, I have found that a firm no the first time often avoids the need to say no again.

Another value Harlow exemplified was that of placing greater priority on the mission of the organization than on one’s own personal ambitions. This includes being prepared to resign rather than compromise one’s integrity. I tell students that in risking one’s job rather than give in on issues of integrity, one may lose a job but gain a career. In a democratic society, one must be prepared to compromise on policies from time to time, but not on integrity.

While one can quibble that there are other kinds of ethical issues and standards for public administrators, the concise, plainly spoken comments of the practitioner on the auditorium’s stage rang true. His ethical philosophy was simple to express, challenging to accomplish, and required constant attention during his entire career. To have served the public using such ethical values was surely worthy of recognition for a lifetime of achievement.

I was no longer sitting as Dwight Ink made his way from the stage, but then, no one was. The American Society for Public Administration was on its collective feet, more than politely and more than respectfully applauding a genuine exemplar of ethical public administration. Perversely, however, I realized the public would be better served if Mr. Ink’s actions were commonplace rather than noteworthy. In that thought, the value of and the need for the Section on Ethics are rejustified.

Russ Williams

Dwight Ink

Applying Standards and Ethics in the 21st Century

The ASPA workbook on Applying Standards and Ethics in the 21st Century is recently updated and available for $8.95 from (info@aspanet.org). The editors of this popular workbook, together with ASPA's Professional Ethics Committee, have targeted the material to professionals, scholars, and students of public administration. It features a discussion of the ASPA Code of Ethics and its applicability to everyday situations.

Two Listserves

The ASPA Section on Ethics and the ASPA general membership have established listserves. Members looking to share information are invited to join.

To subscribe to the Ethics Section listserv, send an e-mail message to: (majordomo@pacl.pspa.niu.edu), and in the body type: “subscribe ethtalk.” You’ll receive a message back letting you know you have successfully subscribed. To send a message to everyone on this list, send it to: (ethtalk@pacl.pspa.niu.edu).

To subscribe to the ASPA general membership listserv, send a message to: (majordomo@majordomo.aspanet.org), and in the body type: “subscribe pubadmin.” To deliver a message to everyone on this list, send it to: (pubadmin@majordomo.aspanet.org).
New Ethics Section
Communications Director: New Position, New Missions, New Opportunities

The Ethics Section is taking the lead in creating a prototype for an e-knowledge community that will eventually be replicated in all of ASPA’s sections. As the newly appointed Communications Director for the ASPA Section on Ethics, my primary task is developing our “Knowledge Community” website. In addition to featuring information from the Ethics Section, this special website will allow greater interactivity, breadth of discussion, and responsiveness to Ethics Section member needs.

Our Knowledge Community will serve both the Section membership and the larger public administration community. In developing the site, the key issue has been to distinguish between knowledge and information. To do that, a discussion board has been included to facilitate exchanges between our academic and practitioner members. Other links to expand the e-knowledge base of the site will be added. As the site nears completion, Section members will be asked for additional input on how better to enhance site features.

Website development is being donated as a professional service to the Ethics Section and ASPA by HabitatHosting.com (see http://www.habitathosting.com). David Descoteau of that organization has been extremely helpful and supportive in this effort.

My other responsibilities as Communication Director include raising Ethics Section visibility by forwarding news items and articles for each issue of PA Times, sending Ethics Section news for ASPA use in its online news updates; and the development and placement of Ethics Section ads in PA Times. If you have articles, news items, or suggested ad copy that would be of use in advancing our Section’s interests, please forward them to me at roderakovich@home.com.

It is an honor to serve ASPA, the Ethics Section, and its members as Communications Director. I look forward to hearing from all of you in the near future.

Rod Erakovich

Ethics Today
Ethics Today is the newsletter of the ASPA Section on Ethics. Following is a list of Executive Committee (ExCom) members for the Section, and their email addresses.

Carole Jurkiewicz (Chair)
cljrkwes@lsu.edu

Mel Dubnick (Secretary)
dubnick@mediamoe.net

Manfred Meine (Treasurer)
mmoine@tsu.edu

Jim Bowman (Past Chair)
b Bowman@garnet.acns.fsu.edu

Stu Gilman (Past Chair)
cgilman@gge.gov

Don Menzel (Past Chair)
d menzel@niu.edu

Evan Berman
evan@pegasus.cc.ucf.edu

Willa Bruce
willa@uis.edu

Russ Carlsen
rgbennis@aol.com

Terry Cooper
t cooper@usc.edu

Raymond Cox
rc ox@azkron.edu

Jean-Claude Garcia-Zamora
jcgarcia@fiu.edu

Cynthia Lynch
sb Lynch@home.com

Terrel Rhodes
r rhodes@mail.pdx.edu

Vera Vogelsang-Coombs
ve ra@wolf.csuhio.edu

Jonathan West
jw west@exchange.sba.miami.edu

Russ Williams (Newsletter Editor)
w williams@garnet.fsu.edu

Robert Zinke
zinker@earthlink.net

ExCom, continued

A follow-up and complementary motion by Stu Gilman was offered and passed:

1. If the proposal of Steering Group 3 is to constitute an Ethics Committee under Steering Group 3 rather than responsible and responsive to ASPA as a whole, the Ethics Section would withdraw its support for the committee.

2. Instead, the Section would work toward creating an effective Ethics Committee next year.

The meeting was adjourned.
Great Idea, continued

- The Section Executive Council approved the position of Membership Chair and Don Menzel (dmenzel@niu.edu) has served marvelously in this capacity. This key position welcomes new members, maintains our member database, website, and electronic listserv, and finds answers to member questions. Don is also seeking the nomination for ASPA VP, which the Section voted unanimously to support. We are ever grateful for his leadership and service.

- Strategic planning by Chapters is monetarily rewarded by ASPA and our Section has decided to seek the same recognition at the Section level. Terrel Rhodes (Trhodes@mail.pdx.edu) is the member working to make this a reality.

- Special recognition is due our many talented members who have offered their leadership as Section Officers, Executive Council members, as Chairs of the Section’s active committees, as Coordinators for our Conference activities, and as Directors of our regional initiatives. This issue of *Ethics Today* outlines their many contributions and we are very grateful for their efforts.

- As the new Editor of *Ethics Today*, Russ Williams (rwilliam@garnet.fsu.edu) has done an outstanding job expanding, focusing, and energizing our award-winning newsletter. He has done a remarkable job and the Section is very fortunate to have his innovative leadership in this key area.

This is just a sampling of the many great ideas members have contributed and for each we are sincerely grateful. Please feel encouraged to contribute your ideas, opinions, expertise, and leadership to the continued success of our Section by contacting me directly or communicating through the listserv (ethtalk@pacl.pspa.niu.edu). You can also work to expand the Section’s impact by inviting other interested scholars, students, and professionals to join our membership (pyearwood@aspanet.org).

It is both exciting and an honor to serve as the Chair of this, the fastest growing Section in the history of ASPA. I look forward to working with you in increasing both the scope and impact of our mission.

Carole L. Jurkiewicz, Ph.D.
ASPA Ethics Section Chair

General Meeting, continued

template for other sections. It would require appointment of a Communications Director for the Section, who would also take on related communications functions. Interested parties were asked to contact Carole by email.

10. ASPA Ethics Committee Proposal: Stu Gilman reported on the issue of establishing a standing ethics committee or similar mechanism in ASPA to provide advice and guidance on actions or questions related to ASPA’s Code of Ethics. Stu cited the options being considered by Steering Committee 3 of ASPA, and noted that the Section’s Executive Committee opposed the Steering Committee’s recommendations. ExCom had passed a motion supporting a review of issues by ASPA leadership, but also opposing a role for the Section as ASPA’s internal ethics mechanism.

11. Ethics Section Booth: Raymond Cox reported on the success of the Ethics Section booth at the meeting. He noted the availability of the new ribbons for Section members to attach to their ASPA National Conference identification badges. He encouraged Section members to stop by the booth for other information. He indicated that the booth had useful in recruiting new members to the Section.

12. SECOPA and GVE: Tom Lynch reported on ethics-related activities at the upcoming Southeastern Conference on Public Administration (SECOPA) 2001. There will be six ethics-related panels at SECOPA (Cynthia Lynch is program chair). He also noted the number of hits (3000+) at the *Global Virtue Ethics* (GVE) site (which is now in its third year). Additionally, a one-day seminar on global virtue ethics will be held on July 8 in Athens, Greece.

13. Legislative Activity: Stu Gilman reported on ethics-related legislative activity in Congress and at the UN. Special note was taken of the International Anticorruption and Governance Act, the Inter-American Anticorruption Act, and the UN Anticorruption Convention.

The meeting adjourned was adjourned.

Submitted by Mel Dubnick, Section Secretary [with special thanks to Dan Williams and Jonathan West for taking notes during the meeting.]
# Registration Form
October 10-13, 2001  
Baton Rouge, LA

(Last Name)      (First Name)      (Middle Initial)

(First Line of Address)________________________________________________________________________
________________________________________________________________________
(Street or P.O. Box, Etc.)

(City)                                            (State)                   (Zip)                    (Country)_______________________________(      )____________________(       )___________
(Email) (Office Phone)                        (Home Phone)

(Badge Name)           (Employer Name)  (Your Title)

## REGISTRATION FEES

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<th>NUMBER</th>
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<td>Regular (includes Thursday and Friday Lunch)</td>
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<td>One Day ___ Wed. ___ Thur. ___ Fri. ___ (inc. applicable meals)</td>
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<td>Late Registration Fee for any of the above (after Sept. 1) additional</td>
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<td>Additional Luncheon Ticket (Spouse, children, etc.)</td>
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<td>Virtual Conference only (included in Other Registrations)</td>
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TOTAL: $______

CHECK ONE:      CHECK ONE:  
_______ Check is enclosed                    _______ I plan to stay at the conference hotel.  
_______ Check will follow by Sept. 1            ________ I plan to stay elsewhere.

MAIL TO:  
Elizabeth Russ, Conference Secretary  
Public Administration Institute  
CEBA Building 3200  
Ourso College of Business  
Louisiana State University  
Baton Rouge, LA 70803-6338  
Phone: (225) 578-9077  
FAX: (225) 578-9078  
Email: eruss@lsu.edu

MAKE CHECKS PAYABLE TO:  
Louisiana Chapter, ASPA
If you wish to present papers on ethics at a professional conference in October, consider the Southeastern Conference of Public Administration (SECOPA) 2001 being held in Baton Rouge, LA. A major panel track focused on ethics is being organized by many long time members of our section. The program committee is currently seeking more papers. The address of the ethics track chair, Jonathan West, is:

Professor and Chair
Department of Political Science
University of Miami
Coral Gables, FL 33124
305 284 2500
jwest@sba01.msmail.miami.edu.

Several ethics have already been formed. The conference website, webmastered by our Ethics Section Chair, Carole L. Jurkiewicz, is at http://www.bus.lsu.edu/pai/secopa/secopa.pdf. The conference website has the preliminary program now and it will continue to develop in the next few months.

Cynthia Lynch, a Section Executive Committee member, is the conference program chair. She said, “I certainly hope that our section members take advantage of this wonderful opportunity. The time and place are right. I am sure that we will have many remarkable panels on ethics for our members to enjoy and share their thoughts with others of like mind.”

SECOPA 2001 will have pre- and post- virtual conferences at http://web2.bus.lsu.edu/courses/SECOPA_2001/ as an added feature. In explaining the virtual conferences, Thomas Lynch, the conference coordinator, said, “As soon as the program committee receives papers, they will post them on this web page and you can read them at your pleasure. Once you register, your name will be added to the conference roster and you can join discussions on line with the members of the ethics and other panels as you wish.

Six Tentative Ethics Section-Sponsored SECOPA Panels as of 6/4/01

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<th>Panel 1: Ethics Issues in the Academy and the Workplace</th>
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<td>Chair—Fred Meine</td>
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<tr>
<td><a href="mailto:Dmmeine@tsufl.edu">Dmmeine@tsufl.edu</a></td>
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<tr>
<td>Jim Bowman and Carole Jurkiewicz—The Ethics of Faculty Consulting</td>
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<tr>
<td><a href="mailto:Jbowman@garnet.acns.fsu.edu">Jbowman@garnet.acns.fsu.edu</a></td>
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<tr>
<td><a href="mailto:Cljrkwcz@lsu.edu">Cljrkwcz@lsu.edu</a></td>
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<tr>
<td>Russ Williams—Ethics Training = Ethical Workplace Policies?</td>
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<tr>
<td><a href="mailto:Rwilliam@garnet.fsu.edu">Rwilliam@garnet.fsu.edu</a></td>
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<tr>
<td>Richard White—Milgram Revisited: Movements in Research Ethics</td>
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<tr>
<td><a href="mailto:Rwd121@aol.com">Rwd121@aol.com</a></td>
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<td>Robert Giacalone—Measuring Spirituality in the Workplace</td>
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<tr>
<td><a href="mailto:Ragiacal@email.uncc.edu">Ragiacal@email.uncc.edu</a></td>
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<td>Discussant: TBA</td>
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<th>Panel 2: Ethics, the Public Service, and Public Servants</th>
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<td>Chair—Jonathan West</td>
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<td><a href="mailto:Jwest@miami.edu">Jwest@miami.edu</a></td>
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<tr>
<td>Saundra Reinke—Service Before Self: Towards a Theory of Servant-Leadership</td>
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<td><a href="mailto:Sreinke@aug.edu">Sreinke@aug.edu</a></td>
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<td>Frances Liddell—(title to come)</td>
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<td><a href="mailto:Fliddell@ccaix.jsums.edu">Fliddell@ccaix.jsums.edu</a></td>
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<tr>
<td>Jonathan West—Ethics and Human Resource Management</td>
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<tr>
<td><a href="mailto:Jwest@miami.edu">Jwest@miami.edu</a></td>
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<tr>
<td>Henry Sirgo—The Moral Work of Stewart L. Udall to Extend Ethics to Encompass Ecological Thinking</td>
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<td><a href="mailto:Hsirgo@mail.mcneese.edu">Hsirgo@mail.mcneese.edu</a></td>
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<th>Panel 3: Ethics from International and Global Perspectives</th>
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<td>Chair—Evan Berman</td>
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<tr>
<td><a href="mailto:Bermane@pegasus.cc.ucf.edu">Bermane@pegasus.cc.ucf.edu</a></td>
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<tr>
<td>Robert Smith—A Comparison of the Ethics Infrastructure in China and the United States</td>
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<td><a href="mailto:Rws@clemson.edu">Rws@clemson.edu</a></td>
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Ask questions and make remarks before, during, and after the on-site conference. This is the best way to get the most out of a conference and avoid any panel time conflicts.” Importantly, he specifically noted that, “At this conference, we will not run the ethics panels in conflict with each other in the same time slots.”
**ASPA-UN Online Partnership Provides Global Platform for Ethics Section**

by Erik Bergrud

The United Nations (UN) has selected ASPA to participate in a network of associations throughout the world to share knowledge, experiences and best practices in sound public policies, effective public administration and efficient civil services. Shortly after joining the network, ASPA reached an agreement with its Section on Ethics to post online *Ethics Today*, the Section’s two-time award winning newsletter, thereby giving the publication a worldwide audience.

The UN’s Global Online Network on Public Administration and Finance (UNPAN) brings together the knowledge and resources of associations representing

- Africa,
- the Arab States,
- Asia and the Pacific,
- Europe,
- Latin American and the Caribbean, and
- North America.

ASPA and the Institute of Public Administration of Canada (IPAC) are the UN's two North American partners in this network.

Each association is responsible for posting analytical reports, case studies, databases, and other related documents. Through this network ASPA members and their peers throughout the world will be able to share the latest public administration innovations and discuss common concerns.

The UNPAN website can be searched by region or topic. The site also includes a training calendar, a global conference calendar, an advisory service and a worldwide public administration directory.

ASPA plans to showcase its members’ work on the UNPAN site for the world to see. For example, public administrators, researchers and faculty throughout the world will be able to read about ethics challenges and solutions in articles written by Section members in *Ethics Today*.

The new Ethics Knowledge Community being developed by the Section and ASPA will also become a resource not only for individuals in the United States but for administrators facing ethics challenges in each continent.

As a member of the network, ASPA is responsible for offering online training sessions/conferences in the future. ASPA will discuss possible topics and facilitators with the Section.

To learn more about UNPAN, visit http://www.unpan.org.

*Erik Bergrud is ASPA's Senior Director for e-Organization Development and a member of the Section on Ethics. You can reach him at 816-746-9022 or ebergrud@aspanet.org.*

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**The ASPA Edge Member & Chapter News**

Alex Panelas, the Mayor of Miami-Dade County, and the Board of County Commissioners proclaimed Thursday April 12, 2001, *Jean-Claude Garcia-Zamor Day* in the county. The Ethics Section member was honored for raising $300,000.00 for an endowment to create a scholarship fund for needy Haitian-American students at Florida International University where he is a professor of public administration.

ET editor and Section Executive Committee member *Russ Williams* is now a visiting research associate at Florida State University’s Askew School of Public Administration and Policy. He will also be

The *New York Metropolitan ASPA Chapter* sponsored a forum on "Ethics in Government" on April 4, 2001 at the Baruch School of Public Affairs. Speakers were Frank Anechiarico of Hamilton College, discussing the accumulation of ethics rules over the past century and implications for administrative timidity, and Melvin J. Dubnick of Rutgers University - Newark, discussing the history of administrative discretion including its constitutional, legal, managerial, and ethical dimensions. The moderator was Dan Williams of Baruch College.
The Ethics Section of the American Society for Public Administration (ASPA) invites nominations for the Best Student Paper on public administration ethics. The Section encourages graduate and undergraduate students enrolled in an academic course of study in calendar year 2001 to submit entries. (Papers that students have coauthored with a faculty member are ineligible.) A framed certificate and a cash award of $100 will be presented to the student receiving the award. Additionally, registration fees for the award winner to attend the ASPA Conference is Arizona will be fully reimbursed. An executive summary of the winning paper will be published in the section’s newsletter, Ethics Today, and the full paper will be available through the section’s website.

The deadline for submission of papers, either by the student directly for by faculty nomination is January 4, 2002. The paper should be no longer than 25 pages (doubled spaced, with 12-font type). Four copies of the paper, with a letter of transmittal from a faculty member, should be sent to Dr. Vera Vogelsang-Coombs, Chair of the ASPA Section on Ethics Student Paper Awards Committee, Leadership Programs, Levin College of Urban Affairs, Cleveland State University, Cleveland, Ohio 44115. Papers and questions can also be submitted electronically to Dr. Vogelsang-Coombs at vera@wolf.urban.csuohio.edu. The Ethics Section will present the award during our annual meeting at the ASPA conference in Phoenix, Arizona March 23-26, 2002.

CALL FOR AUTHORS
Public Administration and Ethics

The Encyclopedia of Public Administration and Public Policy is underway for publication by Marcel Dekker in print and electronic formats. Jack Rabin is the editor and contributing editors are responsible for designating topical entries and preferred authors for topical areas. Authors are sought for the proposed entries listed below. (It is anticipated that the electronic version will be expanded in the future.) Complete instructions are sent to each author by the publisher. The submission deadline is December 1, 2001.

For the second round, broad topics (8-12 pages, plus resources and URLs) include: legal ethics; political and electoral ethics; public interest; appearance of impropriety; feminist perspective on ethics and moral development; deontology; teleology and utilitarianism; and lying and deception, truth and candor. Subsidiary topics (3-5 pages) are: racism, ethical analysis of; gender bias, ethical analysis of; impartiality; competence (professional), ethical duty of; and judicial ethics. Minor Entries (1-3 pages) include: nepotism; bribery; fraud; “dirty hands” dilemma; U.S. Office of Government Ethics; Council on Governmental Ethics Laws; Common Cause; Transparency International; Ethics Officer Association; Jeremy Bentham; Edmond Burke; Niccolì Machiavelli; Emmanuel Kant; and John Rawls.
On July 8, 2001, the one day conference “Virtue Ethics: Back to the Future” will be held in Athens, Greece. Thomas D. Lynch and Charles Garofalo organized the conference on for the Global Virtue Ethics Review. Panayiotis Liverakos, Ph.D., a University of Athens policy analyst, is making the local arrangements. Beside the organizers, those planning to attend include Victor Hilliard, Cynthia Lynch, Peter Cruise, Kaaren Jacobson, Frances Burke, and two Greek scholars. Professor Makridimitris of the University of Athens is arranging for the Greek participants.

The seminar will be held in a 6th floor conference room at one of the newer buildings of the University of Athens on Xenofontos Street, or in a nearby private building in the offices of Dr. Liverakos. Either location is in the middle of Athens, easy waking distance from Constitution Square and Athens’s famous Plaka section.

The purpose of the conference is to exchange views on virtue ethics, especially considering the contributions of Aristotle to ethics in general and virtue ethics in particular. Participants will present papers; and, in the same informal setting, discuss each paper. Global Virtue Ethics Review, which expects to publish many of the papers in subsequent issues, is available at http://www.spaef.com/GVER_PUB/index.html. To date, this two-year old electronic journal has over 4,250 hits.

Space is still available for conference participants. Those interested should immediately contact Dr. Charles Garofalo, Associate Professor, Department of Political Science, Southwest Texas State University, 348 Liberal Arts Bldg., 601 University Drive, San Marcos, TX 78666-4604. Email cg10@swt.edu or call 512-245-3277/245-7815.

Tom Lynch

Public Integrity

If your library does not subscribe to Public Integrity, the ASPA Section on Ethics’ journal, why not ask them to do so? Subscription information and the call for papers for this quarterly ethics journal focusing on ethical leadership in public administration are available from Editor-in-Chief, Jim Bowman (jbowman@garnet.acns.fsu.edu), or Managing Editor, Jonathan West (jwest@exchange.sba.miami.edu).

Getting published in September in PA TIMES

PA TIMES welcomes articles from all its readers. The topic for September 2001 is The Impact of Globalization on Ethics. Guidelines are relatively simple. Deadlines are the 10th of every month (but it would help if you contacted ASPA earlier than that). Articles have a better chance of being accepted if they cover public issues in dealing with areas. Please that PA TIMES is publication that more journalistic standards rather than scholarly. Any endnotes and reference citations will be edited out. The editors strive, as much as possible to conform to the Associated Press (AP) Styleguide. For best results, email any article to Christine Jewett McCrehin at cjewett@aspnet.org. Phone: (202) 393-7878.

Have an ethical issue you would like to raise to the general membership? Want advice from members on how to approach a particularly sensitive ethical dilemma? Send your comments and concerns to:

Ethics Today
Russell L. Williams, Editor
Askek School of Public Administration & Policy
Florida State University
Tallahassee, FL 32306-2250
(rwilliam@garnet.fsu.edu)
### Ethilog: The Resource Center for Ethics Information

Following is a listing of websites that provide ethics-related information. To add to this listing, contact the newsletter editor at rwilliam@garnet.fsu.edu.

**ASPA Section on Ethics**
- [http://www.niu.edu/~tp0dcm1/ aspa/ethicsec/index.htm](http://www.niu.edu/~tp0dcm1/ aspa/ethicsec/index.htm)

**ASPA Section on Ethics Membership Directory**
- [http://www.niu.edu/~tp0dcm1/ aspa/ethicsec/members.htm](http://www.niu.edu/~tp0dcm1/ aspa/ethicsec/members.htm)

**Institute for Business & Professional Ethics**
- [DePaul University](http://condor.depaul.edu/ethics)

**Office of Research Integrity - U.S. Department of Health & Human Services**
- [http://ori.dhhs.gov](http://ori.dhhs.gov)

**Center for the Study of Ethics in the Professions - Illinois Institute of Technology**
- [http://www.iit.edu/departments/csep](http://www.iit.edu/departments/csep)

**European Business Ethics Network**

**Association for Moral Education**
- [http://www.wittenberg.edu/ame](http://www.wittenberg.edu/ame)

**Center for Professional & Applied Ethics - University of North Carolina at Charlotte**
- [http://www.uncc.edu/colleges/ arts_and_sciences/philosophy/center .html](http://www.uncc.edu/colleges/ arts_and_sciences/philosophy/center .html)

**The Carol & Lawrence Zicklin Center for Business Ethics Research - Wharton School, University of Pennsylvania**
- [http://rider/wharton.upenn.edu/~ethics/zicklin](http://rider/wharton.upenn.edu/~ethics/zicklin)

**WWW Ethics Center for Engineering & Science - MIT**
- [http://www.cwru.edu/affil/ wwwethics](http://www.cwru.edu/affil/ wwwethics)

**Engineering Ethics - Texas A&M**
- [http://ethics.tamu.edu](http://ethics.tamu.edu)

**Institute for Global Ethics - London**
- [http://www.globalethics.org](http://www.globalethics.org)

**International Business Ethics Institute – Washington, D.C.**
- [http://www.business-ethics.org/index.htm](http://www.business-ethics.org/index.htm)

**Kennedy Institute of Ethics - Georgetown**
- [http://adminweb.georgetown.edu/ kennedy](http://adminweb.georgetown.edu/ kennedy)

**Poynter Center for the Study of Ethics and American Institutions – Indiana University – Bloomington**
- [http://www.indiana.edu/~poynter/ index.html](http://www.indiana.edu/~poynter/ index.html)

**National Institute for Engineering Ethics**
- [http://www.niee.org](http://www.niee.org)

**U.S. Office of Government Ethics**
- [http://www.usoge.gov](http://www.usoge.gov)

**Centre for Computing & Social Responsibility**
- [http://www.ccsr.cms.dmu.ac.uk](http://www.ccsr.cms.dmu.ac.uk)

**Association for Practical & Professional Ethics - University of Indiana - Bloomington**
- [appe@indiana.edu](mailto:appe@indiana.edu)

**ICMA Code of Ethics**
- [http://www.icma.org](http://www.icma.org)

**Sexual Harrassment - Office of Civil Rights Enforcement**
- [http://www.ed.gov/offices/OCR/ ocrshpam.html](http://www.ed.gov/offices/OCR/ ocrshpam.html)

**Sexual Harrassment Resource List**
- [http://www.feminist.org/911/ harass.html](http://www.feminist.org/911/ harass.html)
**Ethilog, continued**

*Ethics & Justice - Electronic ethics journal*
http://www.ethics-justice.org

*Media Ethics & Accountability*
http://www.u-paris2.fr/sfp/ASPA

*Section News*
http://home.swbell.net.ebergrud/secnews13.htm

*Globalization*
http://www2.hawaii.edu/~fredr/glonotes.htm

*The Journal of Power and Ethics*

*Department of Justice*
http://www.usdoj.gov/jmd/ethics

*Ethics & Justice - Electronic ethics journal*
http://www.ethics-justice.org

*Media Ethics & Accountability*
http://www.u-paris2.fr/sfp

*ASPA Section News*
http://home.swbell.net.ebergrud/secnews13.htm

*Globalization*
http://www2.hawaii.edu/~fredr/glonotes.htm

*The Journal of Power and Ethics*

*Department of Justice*
http://www.usdoj.gov/jmd/ethics

*Ethics Update, Edited by Lawrence Hinman*
http://ethics.acusd.edu

*Ethical Code Enforcement*
http://www.infoworld.com/cgi-bin/displayCareers.pl?991115Ethics.htm

*Department of Commerce*
http://www.ogc.doc.gov/ogc/admin/ethics.htm

*Department of Defense*

*National Archives and Records Administration*
http://www.nara.gov/gc/ethics/ethics.html

*National Institutes of Health*
http://ethics.od.nih.gov/

*U.S. Department of Agriculture*
http://www.usda.gov/ethics/bottom.htm

*U.S. Information Agency*
http://www.usia.gov/agency/ethics/loc.htm

*Federal Inspectors General*
http://www.ignet.com

*U.S. Office of Special Counsel (Whistleblower Protection and Hatch Act)*
http://osc.gov/hometxt.htm

*Defense Information Systems Agency, Interactive Ethics Training Module:*

*Alaska Public Offices Commission*
http://www.state.ak.us/local/akpages/ADMIN/apoc

*State of Florida Commission on Ethics*
http://www.ethics.state.fl.us/

*Indiana State Ethics Commission*
http://www.state.in.us/ethics/

*Iowa Ethics & Campaign Disclosure Board*

*Illinois Board of Ethics*
http://www.state.il.us/ethics/

*Louisiana Ethics Administration Program*
http://www.ethics.state.la.us/

*Mississippi Ethics Commission*
http://www.ethics.state.ms.us/

*New York*
http://www.dos.state.ny.us/ethc/ethics.html

*Ohio Ethics Commission*
http://www.ethics.state.oh.us/ethicshome.html

*Pennsylvania State Ethics Commission*
http://www.ethics.state.pa.us/

*Washington State Executive Ethics Board*
http://www.wa.gov/ethics/

*Australia*

*Canada*
http://strategis.ic.gc.ca/SSG/oe010463.htm

*Hong Kong*
http://www.icac.org.hk/

*Hungary*
http://www.b-m.hu/kozszolgalat/etika/angol/aetika_21.htm
Ethilog, continued

New Zealand
http://www.ssc.govt.nz/Welcome.asp

Department of Commerce Anti-corruption Review

United Kingdom
http://www.open.gov.uk/cspl/
http://www.open.gov.uk/m-of-g/mghome.htm

Character Training International
http://www.character-ethics.org

Organization for Economic Cooperation and Development
http://www.oecd.org/puma
http://www.oecd.org/daf/nocorruption/index.htm

Kentucky Ethics Office
http://www.state.ky.us/agencies/ethics/ETHICS.HTM

Wisconsin Ethics Office
http://ethics.state.wi.us/

Notre Dame Center for Ethics and Religious Values in Business
http://www.nd.edu/~ethics/

Note: Ethilog will be moving to the Ethics Section’s Information Community in the near future.

The 2001 ASPA Section on Ethics Student Paper Award Winner

The paper that follows was written for Public Administration and Management, a core course in the curriculum of the Lyndon B. Johnson School of Public Affairs at the University of Texas. A particular focus was the obligation of public administrators to consider social equity as well as efficiency, economy, and neutrality in their duties and responsibilities. It acknowledged that administration is used for good and bad purposes and evaluated the ethics, values and the consequences of such actions. In light of the problems in administration, the course explored steps to maintain and restore citizen confidence in government. The overall aim of the course was to prepare students for leadership as future public servants.

The objective of the paper was to take a critical and comprehensive look at something that went wrong in government. The requirements were to give a background and analyze the incidents in relation to the topics discussed in the course. Integrating of topics with the facts established a framework for interpretation and evaluation of options, consequences, and alternative outcomes of the situation. At the time, Insurance Commissioner Charles Quackenbush was under intense scrutiny by the State of California for allegations of insurance claim fraud. The circumstances provided a good case study of how governments operate, touching on one of the most important themes of the course, ethics. The case opens a door on a discussion of possible ramifications affecting California’s Department of Insurance and government in general.

The authors are:

Anjanette Scott is from Oakland California and attended the University of Southern California, where she graduated valedictorian of the Urban Planning and Development, Bachelor of Science Program. In the fall of 2000, she entered the Lyndon B. Johnson School of Public Affairs at the University of Texas. Her plans are to pursue a career providing affordable housing and community services for low and moderate-income communities.

Mee Young Han is from Seoul, Korea where she received a Bachelor’s Degree in Political Science and a Master’s Degree of Public Administration, both from Ewha Women’s University. She moved to Austin in August 2000 to attend the Master’s program at the Lyndon B. Johnson School of Public Affairs at the University of Texas. Her policy interests are local government service delivery and urban management.

Matt Fuller is from Austin, TX. He attended Pepperdine University where he attained a Bachelor of Science in Business Management and a Bachelor of Arts in Spanish in the spring of 1997. Matt worked as an English teacher in a small village in central Japan for two years before returning to Austin to enroll in the Lyndon B. Johnson School of Public Affairs/Latin American Studies joint program at the University of Texas at Austin. His policy interests are international relations and foreign policy.

Picking the Winner

A team of four faculty members reviewed ten submissions for this year’s award. The judging committee was chaired by Terrel L. Rhodes. The other members were Raymond Cox, Ramona Ortega-Liston, and Charmaine Streharsky. This year’s winners received a congratulatory letter from the Ethics Section, a certificate, and a monetary award. See page 11 of this edition of ET to find out about the 2002 student paper competition.
Who’s Watching the Watchdog: The Scandal of California Insurance Commissioner Charles Quackenbush

by Anjanette Scott, Mee Young Han, and Matthew Fuller

Abstract: The scandal of Charles Quackenbush during his tenure as California Insurance Commissioner reveals the fraud and corruption surrounding Northridge earthquake insurance claims. His settlement with major insurance companies implicated in insurance fraud and the use of settlement money for his own personal interests has evoked anger among Californians. This paper discusses several essential principles about the nature of government and public administration, discretion, responsiveness to the electorate, the differences between business and government, and most importantly morality and ethics. The moral and ethical character of government employees is the strongest force guiding the actions of public administrators. This case illustrates that Quackenbush’s immorality, not the organizational structure of the California state government, is the overriding factor in his behavior that contributed to failure.

BACKGROUND

In 1988, California voters passed Proposition 103, a law that caused major changes in the California insurance industry. It required across the board rate reductions, prohibited redlining by insurance companies, and changed the insurance commissioner from appointed to elected (Howard). Now, 12 years later, in the wake of a scandal involving former commissioner Charles Quackenbush, Californians are questioning their decision to make the position elected. Ironically, Californians favored an elected position over an appointed one because they believed that it would make the commissioner more accountable and responsive.

The main function of the California Department of Insurance (CDI) and the insurance commissioner is to protect consumers by regulating the insurance market. In large part, this means investigating cases of insurance fraud to ensure that claimants receive their money. The insurance commissioner is supposed to act as a watchdog, monitoring the insurance industry and imposing fines on those found guilty of fraud.

Quackenbush is accused of mishandling fines owed by major insurance companies involved in claims from the 1994 Northridge earthquake. Many consumers complained to the CDI about their insurers not paying claims. The major insurance companies were allegedly low-balling claims, failing to inform clients of their benefits, and forcing some earthquake victims to sue to get full payment (California Assembly Committee of Insurance, 26). The CDI conducted investigations of major insurance companies and suggested that they be fined approximately $3.5 billion dollars for their failure to honor insurance claims (Ellis, 4/2). Quackenbush rejected this recommendation and chose to cut a deal with State Farm, 20th Century, Mercury, Allstate insurance companies, and other companies. In lieu of the recommended fines, Quackenbush required that the companies pay only a minor payment of $12 million dollars in tax-free contributions to two nonprofit organizations he created (Louis). This case has caused Californians to question the insurance commissioner’s ability to monitor the insurance industry.

Money that went to the nonprofit organizations financed Charles Quackenbush’s personal interests instead of the claims of earthquake victims. A substantial amount of the settlement money went to California Research and Assistance Fund (CRAF), a nonprofit organization that was supposed to sponsor earthquake awareness, research, and provide aid to earthquake victims. Approximately $3 million of the foundation’s funds financed public service announcements that aired in Los Angeles featuring the politically ambitious commissioner (Tempest). About $500,000 went to the Sacramento Urban League, an organization completely unrelated to earthquakes and where Quackenbush served on the board of directors (Tempest). Settlement money from CRAF also went to Skillz Athletic Foundation, a football camp that his children attended (Hoge). Since the settlement, none of the money has gone towards earthquake education or the earthquake victims themselves (Squatriglia).
Insurance companies' contributions to Quackenbush's political campaign heightens the scandal. In the Times Sacramento, Quackenbush is quoted in 1993 as saying, “You can’t take money from the Aetnas, the Allstates, and the USAA’s. You regulate them. The conflict there is difficult to explain to voters.” (Tempest). Yet, Quackenbush’s campaign received approximately $6.4 million from the insurance industry (Lawrence). According to the The San Diego Tribune, nearly two-thirds of Quackenbush’s contributions during his first campaign came from industry sources (Lawrence). Mercury Insurance Group gave $500,000 less than two weeks after CDI regulators froze a proposed enforcement action against the company (Kandel). In 1999, six months after the settlement, Quackenbush’s campaign received $50,000 from Allstate (Ellis, 4/2). Quackenbush also received $5,000 from 21st Century, and $20,000 from Fireman’s Fund (FTCR). These contributions incite suspicion about the commissioner’s relationship with insurance companies and how it affected the outcome of the settlement.

Cindy Ossias, a senior lawyer for the CDI, emerged in June as the whistle blower revealing Quackenbush’s actions. She claimed that she could no longer remain silent about what she viewed as egregious wrongs and ultimately leaked confidential documents to the Legislature (Gledhill, 6/27). Ossias said she that complied with an order to shred documents and testified that other employees probably shredded documents also (Gledhill, 6/27). In response, Quackenbush immediately placed Ossias on five days’ paid administrative leave and threatened to dismiss her (Ellis and Carl, 6/23). This implies that Quackenbush attempted to defend and cover up his actions by silencing Ossias.

The case surrounding Charles Quackenbush has entirely changed the public’s viewpoint on Proposition 103, a law that was adopted to make the insurance commissioner responsive to citizens. The events point to a conflict of interest between Quackenbush’s motives and the objective of the voters who adopted Proposition 103 (Ellis, 7/12). A possible underlying motive is Charles Quackenbush’s intentions to run for governor in California after serving his second and final term (a two term limit). Californians are now seeking other remedies for problems arising from the Quackenbush case, such as a ban on political contributions to the insurance commissioner by insurance companies, increasing legislative oversight of the commissioner, and amending protective laws for whistle blowers. All of this has been of key importance in the new debate over the politics of the insurance commissioner position itself.

**ANALYSIS**

**Morality and Ethics**

Morality and ethics within government is necessary to ensure societal fairness and equity. High ethical standards should be canons for public servants writing laws and making important decisions. Quackenbush lacked the moral character essential for making equitable decisions. His connection to the business world may provide greater insight on the motives for his behavior. Furthermore, the actions of the insurance companies illustrate the nature of the private sector. An important part of this case portrays how the meshing of the goals of government with the goals of business contrast to defeat the government’s purpose of serving the public.

The insurance companies’ failure to honor claims portrays the profit-motivated characteristic of business. On a continuum with government at one end and business at the other, the propensity for corruption increases as an organization moves from the government to the business model (Frederickson, 178). Insurance companies should also be scrutinized for their collusive action in reaching settlements for millions of dollars while official estimates calculate their cumulative debts to be in the billions of dollars. The insurance companies’ motivation to maintain profits at the expense of policyholders opposed the public interest.

In H. Frederickson’s *The Spirit of Public Administration*, he argues that individuals in government tend to be more civicly inclined and have some stronger notion of the public good than those in business (Frederickson, 179). Those working in for-profit companies operate under different standards and values, tending to be more interested in the bottom line (Frederickson, 164, 179). This mentality is evident in circumstances surrounding the Civil Service Reform Act of 1978, which was supposed to improve
responsiveness by increasing the number of political appointees. During the Reagan era, former businessmen filled many appointed positions. The Reagan Administration was extremely corrupt and experienced a large number of lawsuits and indictments (Frederickson, 164). Quackenbush is the founder and former president of two Silicon Valley businesses, Q-tech and Q-bit software (Sward). The profit-seeking, self-aggrandizing attitude that probably motivated Quackenbush to start his companies may be acceptable in the business world. However, this attitude clashes with the values and goals of the public sector. In the name of consumer protection, Quackenbush should have been the chief opponent of the kind of behavior exemplified by the insurance companies. Instead, he brought the values of business into the government and consequently corrupted his office and the department.

Taking into account his business background, people might arguably understand his opportunistic behavior. It even might be considered to be the nature of the business. In retrospect, it is questionable whether his behavior would have even been accepted in the business arena. From Frederickson’s perspective, the public is a customer of government and is served by bureaucrats (39). Bureaucrats are expected to be advocates for their customers, using all their talents and resources to provide the best service for the public (Frederickson, 40). Quackenbush, as the head of CDI was in the business of delivering insurance money to people who held unpaid claims. In the years following the earthquake, there was a great rise in demand for the services of the CDI. Quackenbush had the power and opportunity to provide victims of insurance fraud with the settlement funds. Instead, he failed to serve his clientele, withholding the product from clients that had already paid for with tax dollars. Given the competitive nature of business, the likelihood is low that Quackenbush would have survived a similar case even in the business world.

Cindy Ossias’ exemplary moral courage made the investigation of Quackenbush’s actions possible. In Democracy and the Public Service, Frederick Mosher discusses Stephen Bailey’s thoughts on the moral qualities necessary to make moral decisions. Of them, courage is defined as ‘the ability to decide and act in the face of difficulties for which withdrawal would be an easier response, even in unpopular cases’ (214). With the possibility of reprimand, demotion or even termination, she nevertheless came forth and exposed Quackenbush’s corrupt behavior. In fact, she did experience disciplinary action, being forced to go on administrative leave. Without her bravery, the details of this scandal may have never been uncovered and Quackenbush may have eluded public accountability.

The majority of CDI staff that failed to expose Quackenbush’s actions reflects the need to have a moral and ethical code dominating the culture of government. Cindy Ossias was the moral beacon that stepped forward despite the threat of harsh treatment. Still, other staff besides Ossias were told to shred documents and the rest of the legal team that recommended fines remained silent. It was not until the legislative hearing that board members of CRAF testified that they were asked to sign minutes for meetings that never occurred and the treasurer saw checks that she never remembered signing (Gledhill, 6/9). A civil servant cannot afford to merely follow orders. The Holocaust during World War II where German public administrators were instrumental in dispossessing Jews of their property, building concentration camps, and disposing of bodies without question or protest is an extreme example of following orders without hesitation (Adams and Balfour, 71). Moral character in government, regardless of possible personal adversity, is essential to deter corruption and uphold an ethical standard in public office.

**Elected or Appointed**

Herbert Kaufman constructed a model to explain the relationship between the public’s desires and government action (Frederickson, 5). He claims that public administration swings on a pendulum between responsiveness toward citizens and efficient use of government resources. The Progressive Era marked a time of reform in public administration. Reformers sought to make government more efficient, effective, and ethical because of the waste, fraud, and corruption of the spoils system in the political machine. Out of this, the Civil Service system emerged, requiring more professional, educated, and apolitical administrators. In addition, the bureaucracy grew to check corruption and improve efficiency.
Recently this trend has been moving back towards the responsiveness that was characteristic of the political machine system.

Evidently, the adoption of Proposition 103 was an attempt to make the CDI more responsive to Californians. At the time, citizens were unhappy with the appointed insurance commissioner, Roxani Gillespie (Wildermuth). Californians felt that she was not responsive to them, but instead was too soft on the insurance industry, yielding to pressure from insurance companies (Wildermuth). California believed that changing the office from appointed to elected would make the insurance commissioner more prone to heed their needs and be a more authoritative watchdog over insurance companies. Quackenbush exhibits only the negative traits of both the reform and the machine eras--corruption, fraud, unresponsiveness, and ineffectiveness. He proved to be a poor choice to fulfill Californians hopes and expectations of an elected commissioner. On Kaufman’s pendulum, Quackenbush is as far away as possible from either end; he is directly in the middle, both unresponsive and inefficient.

Some Californians argue that the very nature of the insurance commissioner office as an elected position helped lay the foundation for the corruption pervading the Quackenbush scandal. Among them, The Foundation for Taxpayers and Consumer Rights (FTCR) has one of the key players that have been vocal in calling for a reevaluation of the position itself (Tempest). In this reevaluation process they have looked at the insurance commissioners in other states. According to the FTCR, only eleven other states have elected insurance commissioners. In the past, a few of these commissioners have been involved in scandals. One of those states, Louisiana, is currently embroiled in a scandal of similar issues of the Quackenbush case. Consequently, California’s leading elected official, Governor Gray Davis has also been very vocal in calling for a new referendum that would reverse Proposition 103.

Californians see the major problem of having an elected commissioner is that an administrative position that should have been neutral was politicized. Political writer of the San Francisco Chronicle, John Wildermuth, notes that the elected insurance commissioner position was highly visible with political promise (Wildermuth). Quackenbush was raising campaign funds at the same time he was settling with insurance companies for large amounts. The fact that he was serving the second and final term as insurance commissioner raises questions about what Quackenbush’s political plan was. Sources close to Quackenbush have said that he indeed planned to run for governor in 2002 (Herdt). Perhaps Quackenbush saw his position as a stepping-stone to the governor’s seat and used his job to boost his political image and further his political aspirations (Saunders). California’s first elected commissioner, John Garamendi, also pursued the governorship (Wildermuth). He did, indeed, run an unsuccessful campaign for governor following his time with the CDI (Wildermuth). The connection between the insurance commissioner office and the governorship is a factor contributing the highly political nature of the elected position.

The importance and influence of money in politics is another dilemma in having the office of the insurance commissioner as an elected position. William Greider in *Who Will Tell the People: The Betrayal of American Democracy* asserts that in general, citizens feel that power resides not in the political system but in the private corporations that finance and manipulate politicians (169). Insurance companies paid fines that were substantially less than those proposed by the CDI and coincidentally contributed to Quackenbush’s political campaign. This included considerable amounts after settlements were made. Frederickson notes that the Savings and Loan scandal illuminates the ethical concerns when political campaign contributions are tied to legislative intervention in regulatory and administrative processes (165). There is a gross conflict of interest when the insurance commissioner, the interpreter and regulator of the insurance code, accepts campaign contributions. The tendency of money to become increasingly important in politics vastly reduces the political efficacy of the majority and exacerbates the public’s disconnection from and distrust of the government.

The swinging of Kaufman’s pendulum often comes under heavy attacks on the government by the public. These attacks were reflected in the Progressive era, where the reform movement was spurred out of discontent with the government and the political process. Americans’ efforts to change government reflect public sentiment about both the moral character and effectiveness of its leaders (Mosher, 202,210). When there is something undesirable in government such as the insurance commissioners in California,
the people utilize their political power by means of referendum and voting to create change. The adoption of Proposition 103 was supposed to give Californians more political influence over their insurance commissioners. The failure of Proposition 103, as reflected in the actions of Charles Quackenbush, can fuel the assault on government as citizens feel that they cannot change aspects of government that are hindering effective public service. Such incidents can lead citizens to be disenchanted, apathetic about, and removed from the political process.

**Discretion**

Administrative discretion is a key factor determining how well government officials serve the public. James Wilson in his book *Bureacracy: What Government Agencies Do and Why They Do It* discusses the danger of imposing too many rules on bureaucrats. Too little discretion may prevent administrators from doing an effective job. On the other hand, too much discretion gives officials the power to overstep their bounds and make bad decisions. In addition, Frederickson argues that administrative discretion will work towards the public good not by creating more rules, but if there is an appreciation of the spirit of the law and the public good connected to it (105). Quackenbush had complete authority over appointments of his staff, over how much money to fine insurance companies, and how settlement money was allocated. He operated under no confining rules but did not have the public interest in mind and used this freedom to abuse the power granted his office.

Quackenbush used his discretion to appoint his deputies who also participated in his activities. This reflects the structure of the political machine that led to the reform era. When the machine was in power in local government, a key part of the spoils system was to make appointments. Of course discretion like this was linked to the rampant corruption during that time. Quackenbush’s deputies played prominent roles in this scandal. Chief of Staff, William Palmer was appointed in January, 1999 during the negotiations with Northridge earthquake insurers. On July 27, 1999, Quackenbush appointed a career state civil servant, Michael Kelley as Chief Deputy Commissioner. Kelley guided the activities of two foundations funded with the Northridge settlement money and directed the flow of funds from earlier settlements (California Assembly Committee on Insurance, 13). Kelley, William Palmer and possibly other top officials decided which entities received money from the 1997 and 1998 settlements. Since investigations began, six of the top deputies of the CDI have resigned (Geldhill, 6/9). In 1999 Quackenbush appointed George Grays Deputy Commissioner for External Affairs. Grays managed Quackenbush’s 1998 reelection campaign and sat on the board of California Research and Assistant Fund (CRAF), where he exercised great control over funding decisions (Gledhill, 6/9).

H. Frederickson’s chapter on “The Question of Administrative Discretion,” discusses Aristotle’s philosophy, which is to ensure equity, decisions must develop from discussion among friends and equals (Frederickson, 107). Among Quackenbush’s colleagues, friends, and equals was the CDI legal team that advised him regarding the amount of settlement fines. As a member of his legal staff, Cindy Ossias testified that the team figured the appropriate base amount to be paid by State Farm was $2.83 billion (Geldhill, 6/27). She was shocked that the amount the company ended up paying was a mere $2 million in the form of a tax-free contribution to the nonprofit organizations created by Quackenbush. Allstate, 20th Century, and the other companies participating in the settlement were required to pay substantially less despite the legal teams’ recommendation. Furthermore, Ossias testified that Mark Lowder, a top enforcement officer told her and other department attorneys to destroy documents containing penalties derived from the department’s audits of insurers’ earthquake-claims (Gledhill, 6/27). Frederickson states that public administrators will make equitable decisions if the process used to reach them is fair (107). The CDI conducted extensive investigations to derive fair, appropriate fines, but Quackenbush’s choice to ignore his staff resulted in highly inequitable decisions.

The most important and telling element about the importance of Quackenbush’s discretion is that as the insurance commissioner he had sole discretion over the allocation of penalty funds. The terms of the settlement required the companies to provide money for consumer “outreach” and earthquake education. In some cases, the agreements specifically stated the money would go to vendors selected by CDI. None
of the money went into the state General Fund, which is usually the case with fines. This unusual settlement practice deliberately eliminated the Legislature and governor from the decision-making process, and preempted their fiscal oversight role. Subsequently, the bulk of the outreach funds bought television commercials that featured Quackenbush discussing insurance matters regarding the Holocaust. Quackenbush used his power to allocate settlement funds to benefit himself instead of earthquake victims.

**Looking Toward the Future**

**Limited Discretion**

California is now looking for solutions to their problems with filling the insurance commissioner position. Proposition 103 might be reversed to make the position appointed again. Suggestions have already been made by the top legislators in California to increase legislative oversight of the insurance commissioner. Provided that the position remains elected, Californians are considering banning political campaign contributions from insurance companies to insurance commissioners. Regardless of these pending decisions, California will have a hard time filling the position with someone they are sure will honorably and effectively serve the public.

It is very probable that California will reduce the administrative discretion of the insurance commissioner. The California Assembly Insurance Committee in its Insurance Report of the Quackenbush case has recommended amendments in state law that includes greater legislative oversight of the CDI (Coleman). To prevent the abuse of arbitrary discretion by the insurance commissioner, California might require legislators or the governor’s cabinet to approve major decisions regarding disbursements. Future insurance commissioners may be prohibited from making individual decision in matters concerning amounts of settlement funds. Clearer procedures and due processes in using public money might be reinforced and regular fiscal audits would track the money. These changes would discourage and possibly prevent corrupt behavior of the insurance commissioner.

Decision-making procedures and fiscal oversight will probably be more highly publicized. Under Proposition 103, insurance companies’ requests for rate changes were supposed to require a public hearing but no formal hearing was ever held (Green). California leaders will probably make a concerted effort to implement this part of Proposition 103. California might try having open board meetings concerning other public issues. These changes would allow the public to more closely monitor its insurance commissioners while keeping abreast of important insurance-related topics.

Reduced discretion of the insurance commissioner might hinder the effectiveness of the entire CDI. There will be increased red tape and decision making will be more time consuming than before the scandal. The rules will generate paperwork and that can reduce the ability for CDI to achieve its goals. Wilson asserts that often times when there are rules that will specify minimum standards, administrative overload will transform minimum standards into maximum standards (343). Succeeding commissioners might have to work under strenuous constraints that prevent them from making the best decisions. Quackenbush argued that the settlement allowed him to avoid inconvenient, ‘excessive due process’ (Herdt, 6/28). Ultimately his behavior will probably limit the power of the position and create even more tedious processes that would inhibit good commissioners from serving their constituents.

California governor Gray Davis is now in favor of pushing legislation that would effectively reverse the merely twelve-year old Proposition 103 to change the insurance commissioner back to an appointed position. He has now said that he would like to appoint “a professional outside of the elected office who can restore credibility to the agency”(Ellis). There is currently support for this initiative among California lawmakers pending the outcome of this case. In May 2000, a state senate committee voted to make his job appointed (Lawrence). If Californians decide to change the post to an appointed one, appointments will probably be conducted differently than the method used prior to 1988. Governor Davis appointed Interim Commissioner Harry Low, with approval by the majorities in both the legislative houses (Author Unknown, SF. Examiner). Another option is appointment by a board composed of California insurance assembly leaders. Either of these may be considered and adopted into law to reduce political power of the
position. This would prevent the governor from having total control over the appointment, the method that led to the adoption of Proposition 103.

Problems that could arise if the insurance commissioner is not directly responsible to the people are mitigated by having elected officials make the appointments. Frederick Mosher presents Paul Appleby’s argument that the danger of removing government activity from general political responsibility is to threaten administrative morality (212). Currently there are twelve states with elected commissioners and some are notably responsive to their constituents. Bill Nelson, the Florida insurance commissioner has been called one of the most effective in the nation for his crackdowns on such practices as low-balling claims and outright fraud. Nelson has claimed that the real task of an effective insurance commissioner is to strike a balance between the interests of insurance companies and those of consumers (Louis). Deborah Senn, the elected insurance commissioner of Washington argues that going before the people every four years encourages her to be more responsive the people. An open system where administrative behavior is judged at the ballot box serves as checks and balances (Mosher, 212). The previously mentioned methods to select an insurance commissioner still hold those appointing the commissioner, the governor and state legislatures, accountable to the people. True, the commissioner can no longer be impeached, but his appointers can.

Ban on Political campaign Contributions

There has been discussion in California by interested voters such as members of the Foundation for Taxpayers Rights Association about banning insurance companies from contributing to the political campaigns of insurance commissioners. If the commissioner position remains elected, it is likely that the position is subject to political influence by interest groups. Among these are insurance companies, the main group that is monitored and regulated by the CDI. The settlement seems suspiciously tied to the subsequent political campaign contributions made by several insurance companies. Many Californians believe that the ability of the industry to have political leverage by giving large sums of money to the insurance commissioner negates their rights and encourages the commissioner to be partial towards the insurance companies. Perhaps, Californians believe that this ban would remove a considerable amount of politics and this conflict of interest from the position and the department.

As logical and obvious as this solution may seem on the surface, solely banning insurance companies’ contributions might only shift political influence from these companies to other interests groups. Trial lawyers, health care providers, pharmaceutical companies, and groups like the AARP and Public Citizen who have vested interests in the CDI, could easily use their money and clout to influence the commissioner. Cases where an insurance company legally battles another group or individual could leave the insurance company without power to protect its interests. Considering this and the fact that the CDI also monitors individuals charged with insurance fraud, trial lawyers representing such individuals in court might have an advantage over insurance companies. Granted, none of these groups are supposed to be “buying” the insurance commissioner, but the presence of money in politics is a political reality. At the very least there must be ground rules that maintain equity for all parties involved.

On the other side of this argument is that without funding from the insurance industry, the insurance commissioner will be unable to raise campaign money. Although many agree that there should be a ban on political contributions by insurers to the insurance commissioner, campaigning statewide without financial support of insurance sources would be difficult. The position of insurance commissioner is a “specialized industry director” and the insurance companies primarily are interested in contributing to insurance commissioner candidates (Tempest 4/11). They are the entities with sufficient funds to protect their interests as they pertain to the commissioner position. Yet, John Garamendi took no money from insurance companies and still managed to raise $1.5 million. If a ban ensues, all candidates will be on equal ground and have to find money from other sources. This might even reduce the influence that money has on the insurance department.
Whistle-blower Protection

Lawyer Cindy Ossias did not blindly follow the order to shred documents pertaining to the investigation of insurance companies. After blowing the whistle she was immediately placed on five days administrative leave. The courage of someone like Ossias must be championed and protected. There is a real need to strengthen whistle blower laws to protect those who lawfully report corruption and malfeasance because these are the people that witness firsthand any corruption that exists in organizations. It is possible that fear kept Ossias’ peers from reporting any suspicion they might have felt. Individuals with the courage to stand up and expose fraud and corruption need to be given a platform on which they feel free to publicize inside knowledge. This creates an effective system of checks and balances for maintaining ethical standards in any department.

Conclusion

Of all the issues arising from Charles Quackenbush’s time at the California Department of Insurance, those associated with morality and ethics rise above all others. Quackenbush proved himself to be a man of great political ambition. He was elected to serve and protect California’s interests. He had an immense amount of discretion but failed to use it to be responsive or efficient. The key issue is that morality and ethics in government guides administrative decisions. The absence of moral qualities led Quackenbush to make corrupt decisions regarding Northridge earthquake claim settlements. Although the method of selecting the insurance commissioner has some important administrative and political implications, Quackenbush in any appointed position would likely have behaved in the same way, given the opportunity. Without the courage of one whistleblower, Californians might never have known what happened to their claims, their money, or their rights. This is the kind of moral integrity that must be protected and promoted to ensure effective public service.

Bibliography


The Last Word

You Influence the World

A cautionary reminiscence from Willa Bruce

If you believe in the importance of high moral character, you have much in common with my all-time favorite teacher – Mrs. Gertrude Mossbarger. What I admired most about Mrs. Mossbarger was her determination to make each student of hers the best that we could ever hope to be.

The most important things she taught us were about how to live. Mrs. Mossbarger stood on the side of personal goodness and individual responsibility. And that is what she taught: by example, by the reading assignments she gave, and by the poems she required each of her students to memorize.

One of these poems was *Invictus*.

So, imagine my surprise when I learned that Timothy McVeigh told reporters that *Invictus* contains the moral guidance he has lived by. Timothy McVeigh and I guided by the same philosophy! McVeigh, the Oklahoma bomber, the killer of children, and the archetype of evil.

Now Timothy McVeigh and Mrs. Mossbarger are about as far apart morally and philosophically as any two people could be. His beliefs and his behavior are the antithesis of hers. What then could possibly have been the point of agreement that led them both to this poem as a moral compass? Surely he and I were not given the same moral guidepost!

I closed my eyes and visualized Mrs. Mossbarger once again sitting at her desk in front of the classroom. I could hear her saying, *“Invictus” will tell you to take charge of your own life and that’s important. *Invictus* will not tell you how to live your life. For that you need the guidance of the sacred traditions. For that you need God.”* And then she gave us a second poem to memorize: “Parody on *Invictus.*”

“Learn them both,” she said.

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**Invictus**

| Out of the night that covers me    | Out of the light that dazzles me     |
| Black as the Pit from pole to pole | Bright as the sun from pole to pole  |
| I thank whatever Gods may be      | I thank the God I know to be         |
| For my unconquerable soul.        | For Christ the Captain of my soul.   |

| In the fell clutch of circumstance | In the loving care of His own hand   |
| I have not winced nor cried aloud | I have not winced nor cried aloud    |
| Under the bludgeonings of chance  | Under that rule that men call chance |
| My head is bloody but unbowed.     | My head in joy is humbly bowed.      |

| Beyond this place of wrath and tears | Beyond this place, beyond the tears  |
| Looms but the horror of the shade   | Christ waits for me at Heaven’s Gate |
| And yet the menace of the Years     | The unknown days of all the years    |
| Finds and shall find me unafraid.   | Finds me safe and unafraid.          |

| It matters not how straight the gate | It matters not that the Gate is straight. |
| How charged with punishment the scroll. | Christ is the Keeper of the Scroll |
| I am the Master of my Fate           | Christ is the Master of my fate       |
| I am the Captain of my Soul.         | Christ is the Captain of my Soul.     |

– William Earnest Henley

**Parody on Invictus**

| Out of the night that covers me    | Out of the light that dazzles me     |
| Black as the Pit from pole to pole | Bright as the sun from pole to pole  |
| I thank whatever Gods may be      | I thank the God I know to be         |
| For my unconquerable soul.        | For Christ the Captain of my soul.   |

| In the fell clutch of circumstance | In the loving care of His own hand   |
| I have not winced nor cried aloud | I have not winced nor cried aloud    |
| Under the bludgeonings of chance  | Under that rule that men call chance |
| My head is bloody but unbowed.     | My head in joy is humbly bowed.      |

| Beyond this place of wrath and tears | Beyond this place, beyond the tears  |
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| And yet the menace of the Years     | The unknown days of all the years    |
| Finds and shall find me unafraid.   | Finds me safe and unafraid.          |

| It matters not how straight the gate | It matters not that the Gate is straight. |
| How charged with punishment the scroll. | Christ is the Keeper of the Scroll |
| I am the Master of my Fate           | Christ is the Master of my fate       |
| I am the Captain of my Soul.         | Christ is the Captain of my Soul.     |

– Unknown

In today’s school systems Mrs. Mossbarger might have trouble teaching her “Parody on *Invictus.*” Someone might say, “That’s too much about Christianity. Do away with it.” Yet this poem has a message of promise and strength. It is neither bleak nor hopeless.

Would learning the “parody” have changed Timothy’s McVeigh’s character or future? One can only speculate. I do believe, however, that to give children only the godless picture of life is to deprive them of a powerful source of moral guidance.

Perhaps the challenge today is not to get all religion out of the schools; but to get more religion into the schools. We know that all of the world’s great religions share common standards for moral behavior. But, do the children know this? Do their parents? Why not begin a movement to assist public schools and universities to teach the ethics that underlie all the great world religious traditions? Why not offer the sacred along with the secular? Why not aim to be a “Mrs. Mossbarger” in the lives of all we meet?