

Programs 9B – Crisis Communications: Government/ Associations/ Nonprofit Organizations
The MetroHealth System Overcomes Corruption Scandal

Situation

MetroHealth is a county-owned health system serving residents of Cuyahoga County regardless of their ability to pay. In addition to donor support of its Foundation, the System receives funding from a county-wide tax levy.

In June 2008, MetroHealth received an information request from the Internal Revenue Service that singled out a senior-level executive. The Interim CEO immediately ordered an internal investigation which uncovered likely criminal activity involving the hospital's Vice President of Construction. The initial internal investigation revealed about \$60,000 in gifts from East West Construction Company in exchange for construction contracts.

With the help of a crisis communications consultant, MetroHealth put together a communications strategy that would drive the communications over the course of the investigation and criminal prosecution of two individuals. Vice President of Construction John Carroll was fired on July 14, 2008, for violating the System's ethics code and, on Sept. 9, 2009, pleaded guilty to charges of bribery, conspiracy to commit bribery, making false statements and tax fraud. Tom Greco, who worked directly under John Carroll, was convicted of 13 criminal charges on June 8, 2010.

Meanwhile, just weeks after John Carroll was fired, FBI agents conducted a sweeping raid on several other county offices and the homes of a county commissioner and the county auditor. Over two years, more than 70 people were pulled into the probe. Because of John Carroll and Tom Greco, MetroHealth was repeatedly mentioned in news coverage of the county crisis that dominated the news and eventually led to voters approving a new form of county government.

When the charges were actually filed against MetroHealth's vice president in August 2009, the details of the gifts from contractors were stunning – more than \$600,000 in international trips, jewelry, home improvements, appliances and expensive gifts. As the *Plain Dealer* reported, "The bribes stretched from 1999 to 2007, when the hospital that serves some of Cuyahoga County's poorest slid into a \$2.2 million shortfall, forcing staff cuts and management changes."

Throughout this time, MetroHealth's new CEO was working hard to overcome deficits and significant financial challenges by reorganizing departments, reducing budgets and staff, making internal communications challenging. Externally, taxpayers and donors questioned how the scheme could go on so long and whether others were involved. And the media questioned whether the Health & Human Services (HHS) levy would pass in light of the corruption charges.

Effective communications were critical to maintaining public trust and, in turn, voter support for the levy.

Objectives

- Tell the truth. Tell it first. Tell it all. MetroHealth receives public funding and has an obligation to be transparent.
- Avoid assigning blame; rather, focus on decisive action taken to resolve the situation.
- Protect the reputation of MetroHealth so that the reorganization would succeed and the HHS levy would pass.

Strategy

- Work closely with attorneys to make sure communications are accurate and do not jeopardize the criminal case.
- Clarify that MetroHealth conducted its own investigation and proactively turned information over to the authorities.
- Separate MetroHealth from the criminal activities. Let the authorities comment on the criminal probe.
- Position MetroHealth as "Vindicator" and taxpayers as "Victims" by stressing that restitution be paid to the System.
- Continue to communicate about all the good MetroHealth does in the community and its efforts to improve financial performance. Focus on the importance of MetroHealth as a safety net to the community.

Tactics

- Communicate directly with employees and stress the importance of their cooperation to report ethical violations.
- Release information quickly to all stakeholders. Use face-to-face when possible, voicemail and email for employees.
- Make sure MetroHealth's side of the story is always represented in media coverage. Proactively release information and statements with each development in the case. Participate in as many media interviews as possible.
- Monitor media and social media; correct misinformation quickly.

Results

- Media coverage was extensive but most articles and broadcast stories reflected MetroHealth's key messages.
- As the crisis continued, MetroHealth was portrayed as a Victim of crime and restitution was ordered.
- On May 4, 2010, the County's Health & Human Services levy passed overwhelmingly (66%-34%) ensuring funding.
- After several years of deficits, MetroHealth finished 2009 in the black – despite the challenging economy.

Budget: \$60,000 from June 2008-June 2010