

OFFICIAL MISCONDUCT IN DANISH MUNICIPALITIES

How guilt can constrain the pursuit of private gain

Cecilie B. Jensen (93896)

Mikkel G. Pedersen (92382)

Trine S. Christensen (93297)

15 may 2019

Master's thesis submitted for the degree of M.Sc. in Business Administration and Psychology at Copenhagen Business School

Thesis supervisor: Stefan K. Sløk-Madsen

160 pages

363,922 characters

Abstract

Formålet med denne afhandling er at undersøge, om skyld kan minimere embedsmisbrug. Specialet får blandt andet relevans gennem den høje grad af tillid, der karakteriserer den danske samfundsmodel. Embedsmisbrug er en trussel mod denne tillid, hvorfor det er essentielt at undersøge, hvordan det kan minimeres.

Specialet udgør et casestudie, hvor der er søgt aktindsigt i embedsmisbrugssager i samtlige danske kommuner. Resultatet af denne aktindsigtsproces er, at 80 kommuner ikke har haft nogle embedsmisbrugssager, 13 kommuner afviste anmodningen, og fem kommuner gav aktindsigt i tilsammen 12 embedsmisbrugssager. Dette udgør det empiriske grundlag.

Med udgangspunkt i det empiriske grundlag undersøges først, hvordan embedsmænds beslutningstagning påvirkes i forhold til embedsmisbrug. Besvarelsen af dette spørgsmål inddrager både neoklassiske og adfærdøkonomiske teorier i form af Public Choice og begrænset rationalitet for at udvide forståelsen af embedsmisbrug. Det konkluderes, at de omkringliggende institutioner samt kognitive begrænsninger påvirker embedsmændenes beslutningstagning i forhold til embedsmisbrug. Herefter undersøges mere konkret, hvordan skyld kan påvirke embedsmænds adfærd i forhold til embedsmisbrug. Herunder inddrages teori om skyld som værende en følelse, individet søger at undgå. Det konkluderes, at de embedsmænd, der er anklaget for embedsmisbrug, anvender forskellige strategier til at retfærdiggøre deres adfærd for at undgå at blive pålagt skyld.

Afhandlingen konkluderer, at skyld kan minimere embedsmisbrug. Skyld har evnen til at begrænse embedsmænds stræben efter at øge deres egen nytte, såfremt skyld indarbejdes i de omkringliggende organisatoriske rammer.

Keywords: *guilt, official misconduct, public choice theory, behavioural economics*

Table of Contents

1. Introduction	1
1.1. The structure of the thesis	4
1.2. Relevance	5
2. Theory of science	6
2.1. Critical rationalism	7
2.2. A hypothetico-deductive method	7
2.3. The view of human nature	9
3. Literature review	10
3.1. Definition of official misconduct	11
3.2. Official misconduct and guilt	13
4. Theoretical foundation	13
4.1. The literary selection process	13
4.2. Public choice	15
4.3. Boundary conditions	22
4.4. Behavioural economics	23
4.5. Guilt	27
4.6. Theoretical model	30
5. Methodology	31
5.1. Case study of official misconduct	32
5.2. The general analytic strategy	48
5.3. Limitations of the method	51
6. Settings	52
6.1. Corruption in the history of Denmark	52
6.2. Municipalities	54
6.3. Case descriptions	56
7. Analysis	71
7.1. Hypothesis 1	73
7.2. Hypothesis 2	80
7.3. Hypothesis 3	87
7.4. Hypothesis 4	93
7.5. Hypothesis 5	98
7.6. Hypothesis 6	106
7.7. Hypothesis 7	113
8. Discussion	128
8.1. The research design	128
8.2. The applied theory	130
8.3. The empirical foundation	135
9. Implications for practitioners	140
9.1. Limiting the motive	140
9.2. Reducing the means	142
9.3. Reducing opportunities	142
10. Implications for further research	143
10.1. The use of data triangulation to reduce non-findings	144
10.2. Proneness to guilt among public officials	144
10.3. Research on the effect of shame	145
11. Conclusion	146
12. References	147
13. Dictionary of essential words/phrases in the thesis	152
14. Overview of appendices	153

1. Introduction

The reporter informed that the safety was a mess at Ringbo before the killing. There were several instances where the residents attacked others with knives. Several residents had knives in their rooms but there were also knives lying freely at Ringbo. The killed was alone at work at the time of the killing. One of the reporters was the first to find the employee and give first aid. The management did not ensure to improve the safety before the employee was killed. (Appx. 8C:5).¹

The above quote is a clear example of how the question of guilt may show itself in organisational life. In this example, the management is blamed for not taking responsibility in time leading to serious consequences (Sløk, 2014:11). It is part of the managerial role to deal with the emotions arising when other people, employees or citizens, are hurt either by mistakes or by management decisions, reorganisations, or budget cuts (ibid.:10). However, it is rare that managers voluntarily take the blame. One reason for this is that the question of guilt includes the question of right or wrong and thus, the person subjected to guilt will also be judged as an amoral person, which is a moralising that the manager would like to be without (ibid.:24). Thus, guilt is a moral emotion that can provide a motivational push to behave in normative ways that benefit others in order to avoid guilt (Daniels & Robinson, 2019). This prosocial effect that guilt may have on behaviour makes it a relevant feeling to examine in a public setting in which it is essential that the public official (PO) behave in a way that favours the public interest. In the case of this thesis, we suspect that the moral sentiment of guilt can motivate the POs to act in the interest of the public (Smith, 1976:9).

Within the theory of public choice, the behavioural assumption is that individuals are self-interested (Munger, 2015). This economic man, who is solely motivated by individual self-interest in all aspects of his behaviour, is a man of fiction and a caricature who, nonetheless, contributes to a better understanding of organised human activity (Buchanan & Tullock, 1962:17). Such self-interested behaviour in the public sphere can give rise to the question of guilt. When forming a social contract, like the Danish democracy, individuals surrender power in exchange for justice ensured by the sovereign, the state or the executing power (Sløk, 2014:50). This entails that the manager of the society must forgo his own needs in order to dedicate himself to the needs of others (ibid.:51). If politicians or POs, who have been entrusted with decision-making power by and for the public, follow their self-interest to such an extent that it is an abuse of the public's trust in the public sector, it can be a threat to the social contract (Andreasson, 2017). Such abuse of the public's trust can result from a PO wilfully neglecting to perform his duty,

¹ Quotes from the Danish documents received from the municipalities are translated to English

which is one of the several definitions of official misconduct that are further elaborated in the literature review. When such behaviour occurs, it can create social disorder, which gives rise to the question of placing guilt in order to restore the social order (Sløk, 2014:77). This calls for an investigation of official misconduct and whether guilt can minimise such behaviour by motivating POs to act in the interest of the public. As a result, the research question of this thesis is:

Can guilt minimise official misconduct?

Underlying this research question is the assumption from Public Choice Theory (PCT) that individuals are rational utility maximisers who are motivated by their self-interest (Buchanan & Tullock, 1962:17). This view of human nature is prevalent in the neoclassical economics (Ibid.:33). It entails that the average individual is able to rank all alternative combinations of goods and services presented before him and that he will consistently choose “more” rather than “less” (ibid.). Two important comments on this behavioural assumption will be expressed below. In contemporary society, it is worth emphasising that the pronoun “he” is used in this thesis only of simplifying reasons.

First, in the field of psychology, it is well known that the human cognition is a scarce resource (Conlisk, 1996). Because of this, it has been argued that individuals will be bounded rational when making economic decisions since this is a costly activity (Conlisk, 1996). The view of individuals as being bounded rational constitutes the behavioural assumption in behavioural economics, which is an economic thinking arising in the 20th century that reunifies economics and psychology (Camerer, 1999). According to this behavioural assumption, individuals do not always rationally maximise their utility (Simon, 1997:118). However, this does not imply a rejection of the behavioural assumption in this thesis, as described above. A model should not be rejected because of its “unreal” assumptions before these assumptions have been tested via analysis. The final test of a model lies in its ability to assist in the understanding of a real phenomenon, like official misconduct (Buchanan & Tullock, 1962:28). Thus, if the model aids in such understanding, it shall not be rejected (ibid.). Furthermore, even though the behavioural assumption of this thesis may be useful in explaining official misconduct, *“it does not imply that all individuals act in accordance with the behavioural assumption made or that any one individual acts in this way at all times.”* (ibid.:30). We acknowledge that neoclassical models aid in the understanding of decision-making in a public setting where individuals have different and sometimes conflicting goals. However, we also acknowledge that individuals do not always maximise their utility. Thus, this thesis will apply both neoclassical economic models and behavioural economic models in order to gain a greater understanding of the subject investigated.

Second, Adam Smith (1776) described the neoclassical assumption of self-interested behaviour: “*It is not from the benevolence of the butcher, the brewer, or the baker, that we expect our dinner, but from their regard to their own interest.*” (Smith, 1776:27). This is consistent with the behavioural assumption in this thesis. However, before this statement, Smith presented a theory of moral sentiments in 1759 stating that moral sentiments, including guilt, can motivate people to act in favour of other people’s interest (Smith, 1759:9). Thus, individuals will not always follow their self-interest. This notion becomes of interesting importance when investigating self-interested behaviour in a public setting where it is crucial that the POs perform their work in a way that is in the interest of the public.

With respect to the above dimensions, two sub-questions have been formulated to answer the research question: *can guilt minimise official misconduct?* This research question defines the overall problem area of this thesis; however, it entails a delimitation. As will be further elaborated in the literature review, official misconduct is a sub-category of corruption. Corruption can be divided into two categories; political corruption and administrative corruption, which is a distinction inspired by Max Weber’s boundary line between politicians and bureaucrats (Jensen, 2013:21). The official misconduct examined in this thesis is delimited to the administrative corruption, which implies a focus on the bureaucracy and the POs’ behaviour (ibid.:22). Consequently, the public setting has been further delimited to the Danish municipalities since they constitute an interesting setting for studying political behaviour because of their high levels of political autonomy and the large amounts of public resources managed at the municipal level. Thus, the elaborated sub-questions are aimed at the municipal level.

In order to answer the research question, we must first understand the causes for the occurrence of official misconduct. Such an understanding will be sought through the first sub-question:

1. How are public officials’ decision-making affected in relation to official misconduct?

The analysis of this question will include PCT and behavioural economics, separately. First, PCT allows for an analysis of how the surrounding institutions restrain or enable the POs to commit official misconduct since it is assumed that human action is directed toward the furtherance of individual or private interest if only it is not bounded by ethical or moral restraints (Buchanan & Tullock, 1962:27). Second, behavioural economics allow for an analysis of how one public official’s decision to behave in a way that leads to official misconduct is affected by his bounded rationality (Conlisk, 1996). Thus, this analysis aids in the understanding of official misconduct by analysing both organisational and individual factors leading to official misconduct. This understanding creates the foundations for analysing how guilt affects behaviour, which is necessary in order to answer the research question. Such an understanding will be sought through the second sub-question:

2. How does guilt affect the public officials' behaviour in relation to official misconduct?

The analysis of this question is based on theories on guilt and blame mainly presented by Camilla Sløk (2014) and Christopher Hood (2011). When understanding how guilt affects the POs' behaviour, it becomes possible to analyse whether guilt can minimise official misconduct.

1.1. The structure of the thesis

The purpose of this section is to outline the structure of this thesis by giving an overview of the chapters. The thesis follows the classic deductive structure in which the selected theory is applied through the use of selected methods. This is applied to the demarcated data set constituting the empirical foundation of the thesis (Ankersborg, 2015:86).

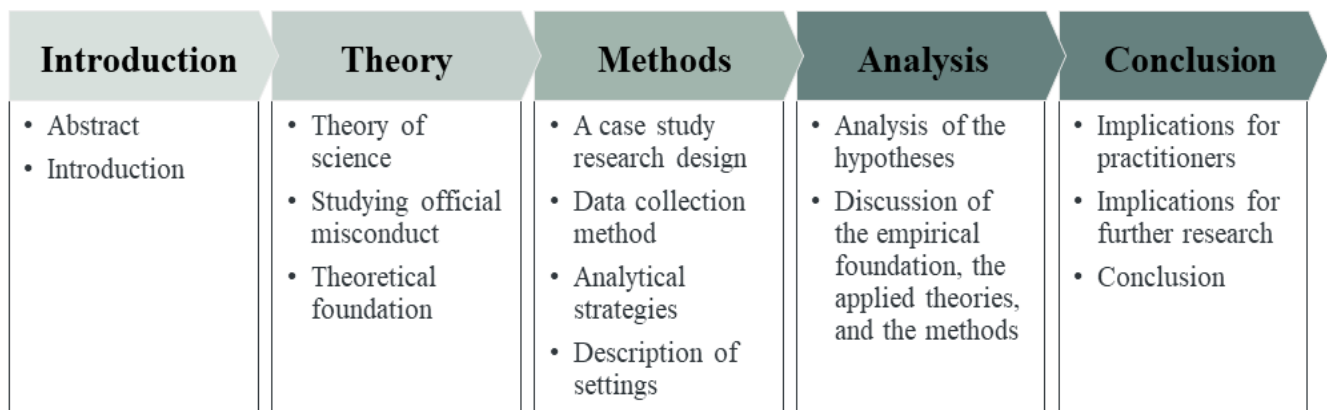


Figure 1: Overview of the thesis structure

The introductory chapters introduce the concepts of neoclassical and behavioural economics as well as the topic corruption in relation to official misconduct. Furthermore, these chapters will introduce the research question of this thesis as well as the sub-questions.

The theoretical chapters will initially introduce the theory of science, including the view of human nature in this thesis. This is followed by a review of the literature on corruption leading to a definition of official misconduct as the field of interest. This lays the foundation for presenting the theoretical foundation in which the hypotheses of this thesis are deduced.

The methodical chapters present how this thesis will contribute to the theory described in the theoretical foundation. This is done by firstly presenting the research design in which the case study design is explained followed by a description of the data collection method. The general analytic strategies that will be applied in the

analysis are presented followed by the limitations of the methodology. The methodical chapters end with a description of the settings for investigating official misconduct followed by a description of the collected cases.

The analytical chapters start with the analysis of the hypotheses deduced in the theoretical chapters, followed by a discussion of the research design, the applied theory, and the empirical foundation.

In the final chapters, we will initially explain the implications of this study in relation to practitioners. This is followed by an explanation of what we find relevant to further research in order to strengthen the field. The thesis ends with the final conclusion.

1.2. Relevance

Denmark and the rest of the Nordic countries are characterised by high levels of social trust (Andersson, 2017). This benefits the national economy in several ways. In economic terms, social trust reduces the transaction costs in the economy, thus it is less costly to secure that agreements are kept. In other terms, people with a high level of trust are more prone to believe that they are in control of their lives and have better opportunities in life. Trust promotes political commitment, the democratic development, decreases criminality and increases the individual's happiness (Andreasson, 2017).

In the latest decades, the State has played an important role in the development of the high levels of trust in the Nordic countries. Research primarily points to the perceived justice in the working of the society's institutions and a low degree of corruption (Andreasson, 2017). The low degree of corruption is related to the fact that the state works transparently, justly, and with a high degree of integrity (Transparency International, 2018).

The high level of social trust in Denmark is not a given and is something that has taken a long time to build (Andreasson, 2017). The future prospects for the social trust lie in the hands of the politicians and other decision-makers (ibid.). Thus, the question arises: How may occurrences of official misconduct in Denmark affect the high level of social trust characterising the society? When the high level of trust is a result of a low degree of corruption and a transparent and fair state, official misconduct may be a threat to this level of trust. When humans surrender power to the sovereign, the state or the executive power, they expect that these authorities will make sure that justice is done (Sløk, 2014:50). Thus, it is a violation of this social contract when POs commit official misconduct. This may decrease the perceived justice, which may decrease the social trust (Andreasson, 2017).

Compared to countries with low level of social trust, Andreasson (2017) suggests that Denmark may have more to lose as a result of a decreased social trust because the model of society, or rather the social contract, is based on a high degree of trust. The consequences of a decreased social trust are, among other, a reduced national economy, less happy citizens, increased criminality, and increasing problems with the preservation of the democratic society (Andreasson, 2017).

Since the high level of trust is a part of the social contract in the Danish model of society, it is crucial that the politicians and other decision-makers do what they can to uphold this level of trust. Otherwise, it can have severe consequences for the economy and the citizens. Since official misconduct is a threat to the high level of social trust, it is relevant to investigate why official misconduct occurs and then how it can be minimised, if possible. This thesis may aid in the provision of such an understanding.

2. Theory of science

In this chapter the theory of science applied in the thesis will be presented. It is essential to address the applied scientific theory to understand the premise of the current study and its conclusions. Theory of science involves reflecting on what science really is, how it develops within different paradigms and how it unfolds within society and in a practical setting (Darmer et al., 2015:40). In order to understand the premise, it is important to be aware of the concepts of ontology, the view on human nature, and epistemology, which relate to the theory and study of knowledge. In other words, the scientific standpoint constitutes a benchmark for the design of the thesis and sets the premise for reading the thesis. The choice of theory of science is therefore determinative for how reality is unfolded in the present thesis.

Before accounting for the theory of science applied in this thesis, it is of relevance to unfold the knowledge and domain of interest (Egholm, 2014:23). To identify the different perspective on science, Habermas, divided science in relation to its interest of knowledge (ibid.). As the aim of this thesis is to understand how individuals make decision, it can be argued that this thesis knowledge interest is aimed at the social science (ibid.).

The current thesis builds on the methods and perspectives of critical rationalism, which will be unfolded in the following section. The ontology and epistemology associated with critical rationalism will be presented, followed by a review of the thesis' view on human nature, including arguments for the links between Public Choice Theory (PCT) and critical rationalism.

2.1. Critical rationalism

In the following section, the underlying ontology and epistemology of this thesis will be presented as well as the interpretation of data in relation to critical rationalism.

According to the definitions of the critical rationalism perspective, only an objective reality which can be experienced and measured exists (Egholm, 2014:71). Critical rationalism states that the phenomenon being studied only exists, if it is possible to observe it empirically. Thus, characterising the epistemological standpoint of this theory of science. In this perspective, the relation between cause and effect is considered to be causal and mechanical (ibid.:234). The ontological standpoint of critical rationalism is realistic, which means that the phenomena and causal links being studied are independent of whether they are studied or not (ibid.:71).

Critical rationalism and positivism are both counted in the positivistic perspective of theory of science. (Egholm, 2014:71). However, they differentiate with regards to being a priori and posteriori, respectively (ibid.). Critical rationalism takes a deductive approach in logical hypotheses (a priori) that must be falsified through empirical observations (ibid.:72). In contrast, positivism is based on inductive observations (a posteriori) that need to be confirmed or disconfirmed through verification validation (ibid.). Thus, within critical rationalism the element of falsification is essential. This is also essential in the argumentations of Karl Popper (ibid.:35), in which science is based on hypothetical deductive conclusions. Thereby, one moves from theory to empiricism and from the general law to empirical cases (ibid.:81).

In relation to the above, the hypotheses deduced later in the Theoretical Foundation are tested on empirical conditions using cases of official misconduct. It is essential that the research design used for data collection ensures that the data is as representative of the reality. To ensure this, all 98 municipalities in Denmark constitute the data of this thesis. The purpose is to illustrate tendencies by studying multiple cases and analysing them both individually and aggregately. This approach matches the overall principles of critical rationalism, based on individual reduction. Furthermore, through studying multiple cases and aggregating the individual results it will be possible to examine the whole (Egholm, 2014:84). Hence, the conclusions drawn in this thesis will be based on empirical evidence, which is consistent with the correspondence theory (ibid.:237).

2.2. A hypothetico-deductive method

The following sections elaborate on the methodological approach applied throughout this thesis in the light of critical rationalism. The section will emphasise how critical rationalism, including the hypothetico-deductive

method, is important for the construction of the hypotheses presented in this thesis and how they should be assessed.

As mentioned previously, critical rationalism involves observable empirical studies in order to gain knowledge. This is based on a deductive approach from a rational point of view, to determine whether the hypotheses are confirmed through observation and hence correlate with the reality. In order to validate a hypothesis, it is crucial to continuously attempt falsification to strengthen the generalisability. If a hypothesis cannot immediately be falsified, its validity will be strengthened (Egholm, 2014:81). It is, however, a precondition within the deductive approach that all hypotheses may be falsified because the best knowledge is the one not yet falsified (ibid.81). Falsification is based on the fact that we can never determine the truth and therefore only statements which can be falsified through empirical testing can be considered scientific (ibid.81). Firstly, this implies that hypotheses of this thesis must be expressed in a way that makes a rejection possible. Secondly, hypotheses can be categorised into two groups: strong and weak statements. The definition of a strong hypothesis relates to the degree of generalisation and universalism of the hypothesis. The strength of the hypothesis is proportional to how much of the objective reality the hypothesis can describe and explain (ibid.81). The hypotheses of this thesis will be considered with regards to their generalisability. This thesis will aim to rigorously examine the hypotheses in an attempt to validate the underlying assumptions and hence strengthen them.

The deductive approach in science avoids the problems associated with the inductive approach of reasoning, illustrated by the 'history of the white swans' (Popper, 2005:4). In this context, the logical positivists argued that, based on many observations of white swans, it could be concluded that all swans are white. However, a critical rationalist would argue that many swans are indeed white, but that the basis for concluding that all swans are white does not exist (Egholm, 2014:81). This is due to the fact that within critical rationalism, a constant search to falsify the hypothesis that "all swans are white" by continuously making and investigating more observations is present. In relation to this, the aim of this thesis is to test the hypotheses build on a theoretical foundation and attempt to falsify these through a scientific examination of cases of official misconduct in Danish municipalities. This is illustrated in Figure 2.

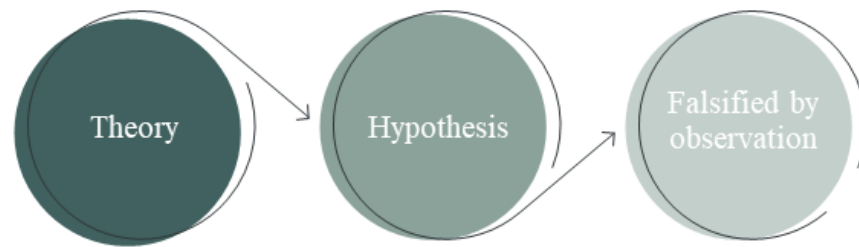


Figure 2: Process of falsification

The hypotheses of this thesis will be constructed on the basis of the theoretical foundation and scientifically examined through attempted falsification in the cases of official misconduct and cases of non-findings. According to the hypothetico-deductive approach, all hypotheses could in principle be falsified. Hence, even a strong hypothesis which has not yet been falsified, can be eliminated if a single case of falsification is identified. However, it can be argued that this falsification principle might be too rigorous in relation to the study of a complex phenomenon. This is supported by the fact that researchers generally have considered official misconduct as a complex and multifaceted phenomenon, where causal explanations depend on the context (Jensen, 2013:33). Hence, it can be argued that constructing and testing hypotheses that incorporate the various contexts and relevant variables of official misconduct is challenging. Thus, when studying a complex phenomenon which is context-dependent, it is highly likely that each hypothesis of this thesis will be falsified to some degree. This is due to the fact that the empirical foundation of this thesis consists of several cases of official misconduct, hence using a multiple-case study design. As a result, the empirical foundation consists of different contexts that are important in the understanding of the investigated phenomenon. However, this also means that if the hypotheses are not falsified in relation to the empirical foundation of this thesis, the generalisability of the hypotheses can be characterised as strong (Egholm, 2014:82).

2.3. The view of human nature

This section will explain our view of human nature by arguing for the complementary relationship between critical rationalism and behavioural economics.

A critical rationalist's view of human nature is characterised by individual reduction and a view of an individual as a rational actor. A critical rationalist understands society as an aggregation of individuals, and the individual is understood as a rational and utilitarian being, driven by what is rationally optimal for themselves (Egholm, 2014:72). This view is consistent with the behavioural assumptions of PCT, which will be elaborated in the section of the theoretical foundation. PCT is the theory of collective choices in the political sphere. Just like a critical rationalist assumes that society is an aggregation of individuals, PCT is methodologically individualistic and thus

assumes that collective action is an aggregation of individual actions (Buchanan & Tullock, 1962:3). From this it follows that it is possible to conclude on the collective level by observing individuals. Furthermore, PCT assumes that the individual is a rational being that seeks to maximise his utility (ibid.:18). However, Buchanan and Tullock recognized that their theory of collective choice can only explain some fraction of collective action and that even though the theory may prove to be useful in understanding this fraction, it does not imply that all individuals act in accordance with the behavioural assumption at all times (ibid.:30). Buchanan was a student of Frank Hyneman Knight who was an American economist and one of the founders of the neoclassical Chicago school of economics (Encyclopædia Britannica, 2019). In his dissertation *Risk, Uncertainty and Profit* (1921), he stated that:

“The ordinary decisions of life are made on the basis of ‘estimates’ of a crude and superficial character. In general the future situation in relation to which we act depends upon the behavior of an indefinitely large number of objects, and is influenced by so many factors that no real effort is made to take account of them all, much less to estimate and summate their separate significances.”
(Knight, 1921:210).

In this quote, Knight is recognising the limitations of the behavioural assumptions in neoclassical economics, that is that individuals are rational utility-maximisers capable of ranking all alternative combinations of goods and services presented before them (Buchanan & Tullock, 1962:33). It was such limitations that later led to a third branch of economic thinking, called behavioural economics (Camerer, 1999), which will be further elaborated in the theoretical foundation. The fact that Knight in 1921 described the limitations of rationality, which in the 1950s would be acknowledged as the bounded rationality of humans by Herbert Simon (Camerer 1999) illustrates that the neoclassical and behavioural models building on rationality and bounded rationality, respectively, do not necessarily contradict each other. Instead, the two models can complement each other as is done in this thesis. Buchanan and Tullock even recognised that models based on the assumption of rational individual behaviour might not yield as fruitful a result when applied to market or economic choice (Buchanan & Tullock, 1962:39). However, this does not entail a rejection of the model since it can explain some fraction of collective choice, as described above. Thus, by extending the model used in this thesis to also include the assumption of bounded rational individuals, it may increase the understanding of the investigated phenomenon, official misconduct.

3. Literature review

To be able to answer the research question, it is necessary to identify and elaborate on the field of interest: official misconduct. The primary purpose of this chapter is to define official misconduct and the research on guilt in relation to official misconduct. In addition, the aim is to understand causes for why POs engage in official misconduct. This will be done through a thorough literature review of relevant selected articles.

The process of systematic reviews presented by Tranfield et al., (2003) has been applied throughout the following literature review (ibid.). This methodology has been used to ensure a systematic review and assessment of what the current best evidence-based knowledge is about the specific topic. This has been accomplished through the development of a protocol describing the search strategy in terms of search engines for literature and key words. The protocol helps to protect objectivity by providing explicit descriptions of the steps taken to form this literature review (ibid.).

The key words in Table 1 were used in searching for articles to create the literature review. By adding quotation marks and the AND command between the words, the key words have been used conjointly. To get a profound understanding of the phenomenon, the search word corruption AND political or bureaucratic was also included. According to Transparency International, corruption is defined as the misuse of resources or power for private gain by political authorities or public administration staff (Transparency International, 2018). Hence, corruption is regarded as a general concept, covering actions such as embezzlement, fraud, extortion and nepotism (Jensen, 2013:24). The literature primarily addresses corruption, why the articles below mainly concerns corruption. However, the concepts of official misconduct and corruption overlaps, which is illustrated in the definition of official misconduct below. Consequently, it is argued that an understanding of corruption is useful in relation to the understanding of official misconduct.

Official misconduct
Abuse of office
Bureaucratic corruption
Political corruption
Guilt AND official misconduct
Blame AND corruption

Table 1: Keywords used in the literature review

3.1. Definition of official misconduct

Official misconduct is the central concept of our study, and thus must first be clearly defined. The aim of this section is to comprehensively define the term ‘official misconduct’. Initially, official misconduct will be defined in relation to the Danish public servant’s act. Hereafter, literature on official misconduct will be involved to get an in-depth understanding of the phenomenon.

Since the 1960s, an increasing international interest in the phenomenon of corruption has been evident (Jensen, 2013:32). The hallmark of this research has been that corruption is considered a complex and multifaceted phenomenon, with many causal explanations depending on the context and the interaction of different factors (ibid.:33). In other words, corruption is nationally determined, wherefore no universal explanatory model exists (ibid.).

According to the Danish public servant's act, the following must be fulfilled before there is an official offence that may form the basis for disciplinary proceedings (Appx. 8:93):

1. There must be an objective breach of the norms (duties) that result from the nature of the job position
2. Subjectively, the breach must be subject to the official concerned as intentional or negligent
3. The breach must be of some severity

A similar understanding can be found in the literature, where official misconduct is when a PO wilfully abuses the public's trust in the office holder without reasonable excuse (Spencer, 2010). Hence, the essence of official misconduct is to either wilfully neglecting to carry out the public duty entrusted to you, or wilfully abuse it for some improper end (ibid.).

Definitions of corruption can be classified into three categories. First, public office definitions specify corruption as behaviour that deviates from legal and public duty because of private-regarding monetary or status gains (Meier & Holbrook, 1992; Caiden & Caiden, 1977). Second, market system definitions define corruption as part of the rational utility maximising behaviour of POs. Third, public interest definitions view corruption as the betrayal of broad "public interest" (Meier & Holbrook, 1992; Caiden & Caiden, 1977). It can be reasoned that in the broadest definition of corruption, it becomes comparable to unethical behaviour and in the narrowest definition, corruption is restricted to illegal behaviour. In addition, Farrales states that: "*... in fact, the most enduring aspect of the literature has been the continued difficulty in defining and conceptualizing corruption.*" (Farrales, 2005:1). However, the definition of corruption most widely used in scientific literature is the abuse of public power for private benefit (Aguilera & Vadera 2008; Tanzi 1998). Hence, the definition applied in this thesis is: the misuse of a public position for private gain.

The research on corruption has primarily centred on a theoretical debate of the causes of corruption (Jensen, 2013:32). According to Rose-Ackermann (1999), corruption is the result of poorly challenged self-interest (Rose-Ackermann, 1999). There are multitudinous factors contributing to corruption (Montinola & Jackman, 2002; Caiden & Caiden, 1977). The causes of corruption and official misconduct has been studied in the fields of economics, political science, social psychology and public administration (Gorsira et al., 2018). However,

relatively little theory has addressed the question of guilt in relation to official misconduct. The theory of guilt and official misconduct will be unfolded in the section below.

3.2. Official misconduct and guilt

Throughout the literature review, it became apparent, that the literature primarily focuses on politicians' electoral motivations and the politicians' behaviour as blame minimising (Weaver, 1986; Sulitzeanu-Kenan, 2010; Hood, 2007). Blame is defined as the act of attributing something considered to be bad or wrong to a person or entity. Blame and guilt is juxtaposed in this thesis as Sløk (2014) defines blame as the action that leads to guilt (Sløk, 2014:18) The literature argues that most officeholders seek not to maximise the credit they receive but to minimise blame. In other terms, they are not credit-claiming maximisers but minimising blame generating losses (Sulitzeanu-Kenan, 2010; Hood, 2011).

As demonstrated in the previous section, several disciplines have put forward different frameworks that may explain official misconduct. It can be argued that each of these theoretical disciplines contribute to the understanding of official misconduct, but none of them seem to obtain a full picture in relation to the complex phenomenon. In addition, none of the perspectives address the question of guilt in relation to official misconduct. Therefore, to gain a better understanding of why POs engage in official misconduct, this thesis will propose an integrated framework including guilt in the theoretical framework. This will be further unfolded in the theoretical foundation.

4. Theoretical foundation

In the following chapter, the building blocks of our theoretical foundation will be presented. The section is fundamental as it constitutes the foundation on which we deduce the hypotheses, and hence as the lens through which we evaluate the research question. First, the part of the theoretical foundation building on PCT will be presented. Second, the underlying boundary conditions (BC) of the theoretical foundation will be articulated. Third, based on BC, theory on behavioural economics will be articulated. Fourth, the part of the theoretical foundation constituting on theory on guilt will be elaborated.

4.1. The literary selection process

Before accounting for the theoretical foundation applied in this thesis, it is essential to clarify the selection process of the literature within PCT, behavioural economics, and guilt.

Throughout this process the search engines *Google Scholar*, *Ebscohost*, and *Scopus* have primarily been used. In addition, *Scopus* has been used to delimitate the periods illustrated in Table 2, based on the number of academic publications. The key words below in the three relevant research areas were used in searching for articles to the theoretical foundation. By adding quotation marks and the AND command between the words, the key words have been used conjointly. By describing the search strategy in terms of search engines for literature and key words, it assures the objectivity of the theoretical foundation (Tranfield et al., 2003).

Public choice	Behavioural economics	Guilt
Public choice (AND governance, public administration, principal-agent theory)	Behavioural economics Bounded rationality (AND decision-making, organisation)	Guilt (And organisation, behaviour, emotion)

Table 2: Key words used in the theoretical foundation

The search process has provided a substantial number of articles, why it is considered relevant to clarify the inclusion and exclusion criterions applied. The inclusion criteria are defined as predetermined elements of articles that must be present for the article to be included in the theoretical foundation. The inclusion and exclusion criteria are illustrated in Table 3. Firstly, the abstracts of the publications were read and the articles which were not found relevant in relation to the inclusion criteria were rejected. Secondly, the relevant publications were thoroughly reviewed and furthermore the references which the articles were based on was evaluated. The relevant major works and encyclopedias published outside of the determined timeline have also been included. Hereby a solid foundation for the literature which constitutes the theoretical foundation is achieved (Tranfield et al., 2003).

Categories	Inclusion criteria	Exclusion criteria
Field of interest	Studies that refer to shame/guilt in an organisational setting; bounded rationality in an organisational setting; the application of behavioural assumptions to collective nonmarket institutions	Studies that aim at subjects, which cannot be linked to an organisational context.
Study types and designs	Studies that use quantitative, qualitative methods or systematic reviews.	Studies that are not considered adequately academic.
Publications date	Public choice > 1990 Bounded rationality > 1996 Behavioural economics > 2006 Shame > 1988 Guilt > 1967	Public choice < 1990 Bounded rationality < 1996 Behavioural economics < 2006 Shame < 1988 Guilt < 1967
Subject area	Social sciences Economic, econometrics and finance Business, management and accounting Decision sciences Psychology Neuroscience	
Document type	Peer-reviewed articles Business article Academic journals	Conference Proceedings Book Series Undefined

Table 3: Inclusion and exclusion criteria for literature

4.2 Public choice

In this section, the part of the theoretical foundation constituted by PCT will be presented. First, a short introduction to the book by James M. Buchanan and Gordon Tullock (1962), *The Calculus of Consent*, will be given since this book forms the framework for the understanding of PCT. Second, the behavioural assumptions will be presented followed thirdly by the defence of these. Fourth, it will be described how individuals choose a decision-making rule applied to make collective decisions. Fifth and last, the limitations on individual rationality in the political process will be described and it is in this last part in which the hypotheses will be deduced.

Munger (2015) defines public choice as “*the application of economic methods and behavioural assumptions to nonmarket collective choice institutions.*” (Munger, 2015:534). This application was first used by James M. Buchanan and Gordon Tullock when they wrote the book *The Calculus of Consent – Logical Foundations of Constitutional Democracy* (1962). In this book, Buchanan and Tullock want to propose what they think a State

ought to be, and not what “*the State or a state actually is...*” (Buchanan & Tullock, 1962:3). To reach this goal, they construct a theory of collective choice that builds on the assumption that collective action is composed of individual actions. This means that individual behaviour is put as the theory’s central feature and the and thus, the theory can be classified as being methodologically individualistic (ibid.). These assumptions concern individual motivation and individual behaviour in social activity opposed to private or individualized activity (ibid.). As described earlier, the main view of human nature in this thesis is adopted from PCT, and thus, the behavioural assumptions will now be described in more detail.

4.2.1. Behavioural assumptions

The behavioural assumption in the theory of collective choice is inspired by orthodox economic theory in which it is implicitly assumed that the individual is a rational utility-maximiser that will choose “more” rather than “less” when confronted with real choice in exchange (Buchanan & Tullock, 1962:18). This implies that the “*individual is able to rank or to order all alternative combinations of goods and services that may be placed before him and that this ranking is transitive.*” (ibid.:33). Transferred to collective choice, this means that the individual is able to choose the alternative result of collective action that is ranked highest in his own utility function (ibid.:34). The theory of collective choice is economic in the sense that it assumes that separate individuals are likely to have separate aims and purposes for the results of collective action (ibid.:4). In the political sphere where Buchanan and Tullock’s theory of collective choice applies, the pursuit of private gain has almost universally been negatively perceived. However, Buchanan and Tullock argued that the same individual participates in both private and social aspects of life for which the individual must shift his psychological and moral gears when he moves between these aspects (ibid.:20). Thus, Buchanan and Tullock presented a positive defence of the individualist-economic assumption about behaviour in the political process, which will be described next.

4.2.2. Defence of the behavioural assumptions

The defence of the use of the individualist-economic or the utility-maximising assumption about behaviour in the political process consists of two complementary elements. The first one is called the ethical-economic defence while the second defence is merely empirical (Buchanan & Tullock, 1962:27).

The ethical-economic defence requires acceptance of a pessimistic view of human nature. In this view, self-interest is recognized as being a strong motivating force in human activity. Hence, it is assumed that human action is directed toward the furtherance of private interest if the action is not bounded by ethical or moral restraints (ibid.). It follows from this that the individual must act in accordance with ethical or moral principles when a social

institution dictates some departure from the pursuit of private interests. Such an effort to restrain one's pursuit of private interests is economic in the sense that it is scarce. This implicates that insofar as possible, institutions and legal constraints should be developed in a way that aligns the pursuit of private gain with the attainment of the objectives of a group as a whole (ibid.).

The second defence of the economic-individualist behavioural assumption is empirical. This means that if it is possible to develop hypotheses about collective choice that aid in the explanation and understanding of observable institutions, the behavioural assumption is justified (Buchanan & Tullock, 1962:28).

4.2.3. The organisation of human activity

Since it is assumed that individuals have different utility functions and that each individual is assumed to rationally maximise his own utility, Buchanan and Tullock (1962) pose the question of whether there is a logical economic rationalisation for the emergence of democratic political institutions (Buchanan & Tullock, 1962:43). The individual will organise an activity collectively if he expects that it will increase his utility, which will happen if the collective action decreases the external costs imposed upon the individual in private choice (ibid.). Thus, Buchanan and Tullock adopted a cost approach to understand the emergence of political constitution. An important distinction between two elements of the expected costs of human activity must be made here, and they will be elaborated in the section below. First, there are the external costs. These are the costs expected to incur as a result of other individuals' actions. Since the individual has no control over other individuals' actions, these expected costs are external to his own behaviour. Second, there are the decision-making costs. These are the costs expected to incur as a result of the individual's participation in an organized activity (ibid.:45). The sum of the external costs and decision-making costs is called the interdependence costs and the rational individual should try to minimise these costs when considering the problem of making institutional and constitutional change (ibid.:46).

The costs imposed upon an individual organising an activity collectively depend on the way in which collective decisions are made and thus, which decision-making rule is then used (Buchanan & Tullock, 1962:63). The central part of Buchanan and Tullock's book is an analysis of one of the most dominant decision-making rules in modern democratic theory and practice, that of simple majority voting (ibid.:7). The dependence between the costs and the decision-making rule can be illustrated by considering the two elements of costs; external costs and decision-making costs, which will be elaborated below.

If any one individual in the collective unit is authorised to undertake action for the collectivity, the external costs will be high for the individuals affected by this decision (Buchanan & Tullock, 1962:64). However, if two or more

individuals from the collective unit have to agree before collective action is authorized, fewer decisions will run contrary to the individual's own desires. This means that the external costs of collective action will decrease as the number of individuals required to take collective action increases (ibid.:67). Thus, if the decision-making rule used dictates unanimous agreement to authorise collective action, the expected costs are zero since the individual will not allow others to impose external costs on him (ibid.:64). Such a decision-making rule is called the rule of unanimity and is the most inclusive decision-making rule (Buchanan & Tullock, 1962:69). The relationship between the expected external costs and the number of individuals required to take collective action is illustrated in Figure 3.

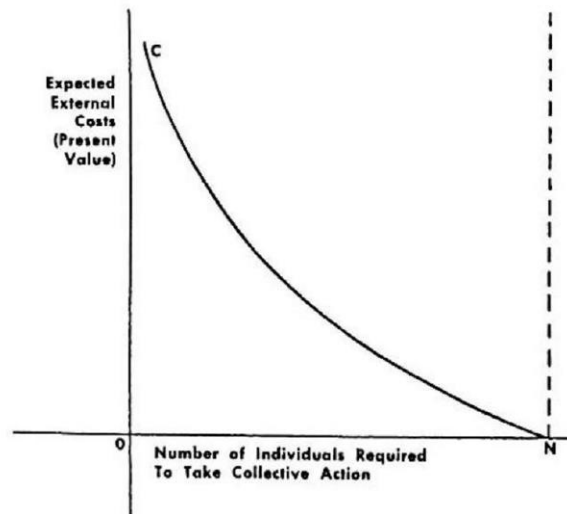


Figure 3: Source: Buchanan & Tullock, 1962:65

In contrast to the external costs, the decision-making costs will increase when the decision-making rule approaches the rule of unanimity (Buchanan & Tullock, 1962:68). It takes more time and effort to reach agreement when more individuals have to agree in order to take collective action (ibid.). In the case of the rule of unanimity, each individual is a necessary party to any agreement because each individual has to consent to a decision before collective action can be taken (ibid.:69). The relationship between the expected decision-making costs and the number of individuals required to take collective action is illustrated in Figure 4.

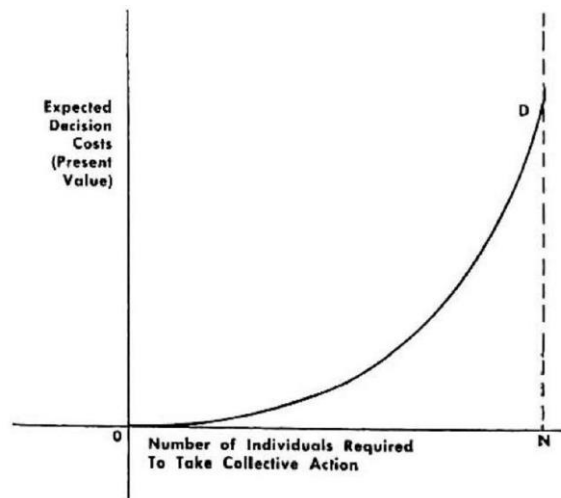


Figure 4: Source: Buchanan & Tullock, 1962:70

When choosing the decision-making rule, the fully rational individual will try to choose the rule that minimises the present value of the expected costs (Buchanan & Tullock, 1962:70). The external costs and decision-making costs and their relationship with the number of individuals required to take collective action are illustrated in Figure 5.

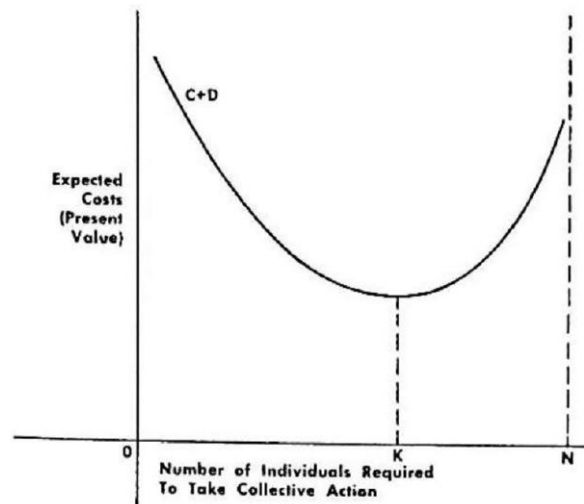


Figure 5: Source: Buchanan & Tullock, 1962:71

Buchanan and Tullock (1962) recognises that the behavioural assumption of fully rational individuals may have limitations in the political process. This will be described next.

4.2.4. Uncertainty in the political process

In order for the individual to approach fully rational behaviour, the consequences of individual choice must be known under conditions of perfect certainty (Buchanan & Tullock, 1962:36). In market choices, there normally exists a one-to-one correspondence between individual action and the results of that action and thus, the certainty assumption is accepted as useful without violating the structure of the theoretical model. However, uncertainty arises when analysing an individual's behaviour in the political process. The one-to-one correspondence between individual choice and final action does not exist in the political process. There exists an uncertainty regarding the final outcome that is the social choice. The individual contributing to the social choice cannot know how his contribution will affect the final outcome (ibid.:37). It can appear to be contradictory to assume rational individual behaviour in a sphere that is characterised by uncertainty. However, collective choice is a continuous process where each decision represents only one link in a long-time chain of social action (ibid.). Still, it implicates that individuals may be less rational in collective than in private choices. Another reason for this is the difference in the degree of responsibility in collective and private choices. The responsibility for a private decision rests directly on the chooser and thus, the individual tends to consider the alternatives before him more carefully. Furthermore, the benefits and costs of the private decision are more tangible. In contrast, such a precise relationship between individual action and result does not exist in collective choice. It is possible for the chooser to recognise the existence of the benefits and costs of a proposed public action, but it is more difficult to readily estimate the individual's own share in the benefits or costs. This uncertainty arises because of the necessary ignorance of the individual participating in group choice (ibid.:38). This uncertainty limits the range of rational calculus and the individual loses the sense of decision-making responsibility inherent in private choice (ibid.). Knowing that collective decisions affecting the individual will be made regardless of his own action, the individual is offered an opportunity either to abstain from making a positive choice or to choose without having considered the alternatives carefully (ibid.). This is what Downs called rational ignorance (Downs, 1957). In private choice, the decision-making unit is the individual who both makes the choices and constitutes the entity for whom the choices are made (Buchanan & Tullock, 1962:31). This is not the case of collective choice and thus there exists a distance between the choosers and the ones affected in the collective unit. This means that when a PO decides something that will affect the collective unit, he does not feel the same responsibility for the decision as one feels in a private decision. Furthermore, it can be difficult to estimate the exact benefits and costs of a decision since it will affect a collective unit. However, it can be said that the expected costs of organising decisions will be less in a smaller collective unit than in the larger (ibid.:112). It is less costly for the individuals in a smaller unit to have an inclusive decision-making rule since they are fewer individuals that have to agree in order to authorize collective action (ibid.). Thus, it can be proposed that the uncertainty apparent in the political process will increase in line with the number of

individuals in the collective unit, increasing the distance between the chooser and those affected by the choice. This leads to the first hypothesis of this thesis.

Hypothesis 1 (H1): The size of the municipality positively correlates with the distance between public officials and citizens.

Since the behavioural assumption is that individuals are rational utility-maximisers with different utility functions (Buchanan & Tullock, 1962), there exists an inevitable tension between POs' self-interest and public duty (ibid.28). As mentioned earlier in this chapter, institutions and legal constraints should order the pursuit of private gain in a way that makes it consistent with the attainment of the objectives of the group (ibid.:27). However, this becomes more difficult as the collective unit increases in size and thus becomes more complex (ibid.:112). This too can be said about municipalities. When government structures become more complex, e.g. by decentralizing to lower tiers, it can impede coordination and exacerbate POs' incentives to pursue their self-interest. When government consists of several tiers, there are more local personnel pursuing their self-interest and thus, more complex government structures impose the danger of uncoordinated rent-seeking (Fan, Lin & Treisman, 2008). This issue is also related to the rational ignorance of the individual (Downs, 1957). When the government size increases, e.g. by the number of POs, the individual's rational ignorance will also increase. In the setting of municipalities, this means that the citizen (the principal) is rationally ignorant of the PO's (the agent) actions. As the size of the municipality increases, which increases the distance between the POs and the citizens, it becomes more difficult for the citizens to control whether the POs act in the interest of the public (Vaubel, 2006). Thus, the PO will follow his self-interest (Eisenhardt, 1989). This leads to the second hypothesis of this thesis:

Hypothesis 2 (H2): The distance between public officials and citizens positively correlates with the self-serving behaviour of the public officials.

So far, it has been deduced that an increase in the size of the municipality increases the uncertainty inherent in collective choice, which increases the distance between the POs and citizens. This makes it more difficult to control the behaviour of the POs who will then act in a way to pursue their self-interest. If institutions and legal constraints are not developed in a way that aligns the POs' pursuit of private gain with the attainment of the objectives of the citizens, the public officials will seek to maximise their own utility (Buchanan & Tullock, 1962:27). This leads to the third hypothesis of this paper.

Hypothesis 3 (H3): The self-interested behaviour of public officials positively correlates with official misconduct.

4.3. Boundary conditions

In the section below, BC that are found relevant to study in relation to this thesis will be examined. BC refer to the “who, where, and when” aspects of a theory (Busse et al., 2007). Thus, BC refer to the generalisability of a theory, and such constitute the range of the theory. BC has frequently been juxtaposed with limitations, however limitations refer to the theoretical and methodological imperfections of a study, while BC relate to the specific theory put forward (ibid.). It also makes sense to consider BC with respect to the building blocks of a theory (ibid.). The boundary determining criteria of a model apply with equal force to the units employed and the laws of interaction among those units. Hence, in the context of this thesis, it is relevant to include BC as a result of the theoretical foundation.

Busse et al., (2007), argue that “*Scholars broadly agree that BC should be established*” (Busse et al., 2007:3), thus, reinforcing the relevance of exploring BC in relation to this thesis. Due to the dynamic nature of BC, it is considered impractical to discover every BC (ibid.). Therefore, the aim of the following section is to uncover some of the BC of the theoretical foundation.

Below, BC related to the theoretical foundation of PCT will be elaborated. First, in the interest of conceptual clarity, the simplifying assumption that POs act opportunistic if no moral or legal institutions restrain behaviour is employed. This BC is conceptually supported by Buchanan & Tullock (Buchanan & Tullock, 1962:27). In illustrating this BC, Buchanan & Tullock (1962) reasons that the general economic model embodies the assumption that the individual participant in collective action acts opportunistic (ibid.:29). Following, in relation to the ethical-economic defence of the opportunistic assumption Buchanan & Tullock states that: “*the ethical-economic defence of utility maximising behaviour requires the initial acceptance of a sceptical or pessimistic view of human nature*” (ibid.:27). By stipulating this BC, it enables this thesis to pursue a falsifiable theory on guilt affecting opportunistic behaviour. Hence, as BC refer to the “who, where, and when” aspects of a theory (Busse et al., 2017), a BC of PCT is that individuals are opportunistic. As mentioned in the introduction, not all individuals act opportunistic, seeking their own self-interest (Conlisk, 1996). Following, it has been argued that the behavioural assumption of POs as purely opportunistic is simplistic (Zamir & Sulitzeanu, 2017). The BC of opportunistic behaviour has been accommodated by involving behavioural economics in this thesis.

Based on the above, a related BC emerges in regard to the moral institutions restraining individuals’ opportunism. As stated by Buchanan & Tullock (1962), self-interest is a strong motivating force in all human activity if not bounded by ethical or moral principles (Buchanan & Tullock, 1962:27). Hence, it can be argued that a BC with respect to the building blocks of PCT is that individuals will act opportunistic if not bounded by ethical or moral

institutions. However, PCT do not propose how ethical and moral principles are incorporated in the individual's utility function. This is illustrated in the following: *"We do not propose to take a position on the moral question regarding what variables should enter into the individual's utility function when he participates in social choice, nor do we propose to go further and explore the immensely difficult set of problems concerned with the ultimate philosophical implications of the utilitarian conception of human nature"* (ibid.:30). Hence, it can be reasoned that Buchanan & Tullock (1962), do not incorporate moral institutions as it would oppose the underlying assumption that individuals are rational and pursuing their own self-interest. To oblige with the above BC, theory on the moral emotion guilt has been incorporated in the theoretical model.

4.4. Behavioural economics

Behavioural economics can be defined as the use of methods and evidence from other socio-scientific areas, including sociology, anthropology, psychology and economics as well as neuropsychology (Alm & Bourdeaux 2014:2). In other words, it is a designation covering different academic areas. Camerer (1999) describes it as being a *"... reunification of psychology and economics, rather than a brand new synthesis"* (Camerer, 1999:10575). The economic neoclassic model of human behaviour is, as previously mentioned, based on several main assumptions, including an individual being fully rational, self-controlled, have unlimited willpower and being a maximising decision-maker (Alm & Bourdeaux 2014:3). Within this approach, it is, for instance, assumed that individuals always know exactly which alternatives of action are present, as well as the consequences these alternative actions involve (Knudsen, 2011:19). Herbert Simon identified this as *objective rationality* (Simon, 1997:93). However, an increasing agreement of these assumptions regarding the behaviour of an individual being inaccurate and unrealistic is evident (Alm & Bourdeaux 2014:3). In other words, individuals do not always act rationally, are not always self-controlled, do not always have unlimited willpower and they are not always a maximising decision-maker, which is otherwise the basis of the standard theory. Behavioural economics use these deviations from the standard neoclassic approach as a basis for a more realistic perception, for instance of how individuals make choices (Alm & Bourdeaux 2014:3). Herbert Simon does not use the term behavioural economics, but his theory deals with some of the same subjects, in which the central concern of administrative behaviour is *"with the boundary between the rational and the nonrational aspects of human social behaviour"* (Simon, 1997:118).

4.4.1. Bounded rationality

Herbert Simon introduced the concept regarding bounded rationality with a more realistic approach to human behaviour (Simon, 1997:88). By introducing bounded rationality, a more psychological understanding of individuals in decision-making processes became evident (Knudsen, 2011:24). Herbert Simon (1997) analysed

bounded rationality from an administrative angle, which is consistent with the approach of this thesis, in which the Danish municipalities equal organisations.

Bounded rationality is defined by individuals independent of their level of intelligence having to make decisions under the three following limitations: “1) *the decision maker only has limited information regarding the possible alternatives and the following consequences*, 2) *the decision maker has limited capacity to evaluate and process the available information* and 3) *the decision maker only has limited time to make a decision*” (Knudsen, 2011:24). Herbert Simon introduced the terms *Economic Man* and the *Administrator* (Simon, 1997:119). Within the neoclassic economic approach, the *Economic Man* will strive to maximise because he is able to select the better alternative from all the accessible possibilities (ibid.). In other words, rational decision-making always demands “*the comparison of alternative means in terms of the respective ends to which they will lead.*” (Simon, 1997:75). This is, amongst other things, due to the economic man being able to relate to all aspects of the real-world, including complexity. The *Administrator*, on the contrary, acknowledges that limits on attention do not allow for all possibilities and complexity matters to be considered (Simon, 1997:119). Thus, an individual within the behavioural economic approach will satisfice, choosing the opportunity which is “*good enough*” (ibid.). Due to the simplistic approach towards the world, in which *Administrators* rather satisfices than maximises, it is possible to make a decision without evaluating all the alternatives. Although this simplification can lead to errors, it is perceived as the most optimal approach in a realistic approach (ibid.). With regards to the subject of official misconduct in this thesis, it is relevant to process the degree of official misconduct in relation to the satisficing behaviour. This is due to the assumption that in relation to the *Economic Man*, individuals, and thereby also POs, will supposedly maximise – select the best alternative also in relation to the degree of official misconduct. The *Administrator* will, however, satisfice in relation to the degree of official misconduct. This theoretical explanation leads to the following hypothesis:

Hypothesis 4 (H4): Satisficing behaviour moderates the degree of official misconduct.

The input from Herbert Simon (1997) to the behavioural oriented approach, including bounded rationality, was, although, not widely endorsed amongst the mainstream economists (Knudsen, 2011:24). On the contrary, this was the case with Kahneman and Tversky’s contribution in bounded rationality, in the form of their “*Heuristics and Biases*”-program (Kahneman & Tversky, 1974). The “*Heuristics and Biases*”-program is implicitly based on the dual process-theory (ibid.). This theory will be described in the following section.

4.4.2. Dual process-theory

The purpose of the dual process-theory is to explain how the brain works when decisions are made (Knudsen, 2011:41). According to this theory, individuals use two different systems or ways of thinking – system 1 and 2 (ibid.). These systems interact with each other during decision-making. However, system 1 is characterized by being intuitive and automatic, whereas system 2 is characterised by being analytical and controlled (ibid.). The advantage of system 1 is that it is not connected with a large consumption of resources and therefore, it seems to work effortlessly (ibid.). On the contrary, system 2 is used in a more complex context and is therefore associated with a large use of resources (ibid. 41). Due to the intuitive and automatic approach towards decisions in system 1, this system is based on an intertwined and context-dependent mesh of rules, where specific decision-making rules are activated according to the context. System 2, on the other hand, is based on a case-by-case approach, in which each decision is treated separately, without involving the context. This division of system 1 and 2 is a central part of the Dual process-theory and this can be perceived as being the basis of Kahneman and Tversky's "*Heuristics and Biases*"-program (ibid.:40). According to this model, many of the decision rules or heuristics made in system 1, that individuals navigate from in a decision process, are biased. These biases occur since many of the decision rules or heuristics we use are rooted in the early development of humans, where the complexity of today did not exist. In other words, a gap between the congenital automatic heuristics and the context they are used in, has evolved. Kahneman and Tversky primarily argues that decisions made by system 1 are flawed and irrational in nature (Kahneman and Tversky, 1974), where for instance Conlisk (1996) on the other hand has a more nuanced view upon heuristics as is illustrated in the following quote: "*Heuristics are rational in the sense that they appeal to intuition and avoid deliberation cost, but boundedly rational in the sense that they often lead to biased choices.*" (Conlisk, 1996:676). Kahneman and Tversky's have, through the "*Heuristics and Biases*"-program, identified a number of different heuristics and hereby biases of system 1. However, more biases are identified continuously as exemplified in the following section.

4.4.3. Risk-seeking behaviour

The most important foundation of bureaucracy power is the specialised knowledge or expertise that the bureaucrats entail (Liu & Vedlitz.). The bureaucrats primarily possess two types of knowledge relevant to their official office: political knowledge and issue specific knowledge (ibid.). In the context of this thesis, the issue specific knowledge of the POs is related to their work task which becomes their expertise, that they possess and develop over time. The relation between experience, expertise and overconfidence is an area which is considered essential within social psychology and behavioural economics (ibid.). Studies within these specific topics presume that experts have a tendency towards overconfidence in relation to their expertise, which can cause judgement biases (ibid.). With regards to this, several studies present a positive relationship between overconfidence and risk-seeking

behaviour. A theoretical explanation to this is attributed to the illusion of control, which is often associated with overconfidence (ibid.). Presumptuous individuals are convinced they have better information and knowledge than what is the fact. This tends to lead them to an illusion of their own ability to predict outcomes as well as their control over incidents (Ayal & Gino, 2011). Likewise, it may be possible that overconfident POs are convinced that they understand the nature of the various specific responsibilities they have, and as the illusion of control increases and the perception of risk declines, this may lead to more risk-seeking behaviour. In relation to the thesis, the elements of risk-seeking behaviour are juxtaposed with official misconduct. This theoretical explanation leads to the following hypothesis:

Hypothesis 5 (H5): Public officials' overconfidence positively correlates with official misconduct.

4.4.4. Awareness of ethics

As mentioned above, the assumptions of PCT have been challenged by psychologists, economists and political scientists (Zamir and Sulitzeanu-Kenan, 2017). Nevertheless, as mentioned previously, PCT has provided predictions of governmentally policy choices quite accurately (ibid.). In the article by Zamir & Sulitzeanu-Kenan (2017), they seek to bridge the predictive power of PCT and its questionable behavioural assumptions by integrating behavioural ethics. By integrating theory concerning behavioural ethics, the article argues that officials sometimes deliberately pursue their own interests at the expense of the public good, sometimes they fall prey to cognitive biases, and sometimes their decisions effectively promote the general good (ibid.).

Before accounting for how behavioural ethics influence the governmental decision-making, the assumption underlying behavioural ethics will shortly be presented. The basic concepts that underpin much of the literature on behavioural ethics are dual reasoning and motivated reasoning. As mentioned previously, dual reasoning argues that the reason why observed behaviour deviates from models of rational decision-making is that people use system 1 and system 2 (Zamir & Sulitzeanu-Kenan, 2017). In addition, motivation affects reasoning through the cognitive process by which people form impressions, determine their beliefs and attitudes, assess evidence and make decisions (ibid.). In other words, motivated reasoning describes the role of motivation in cognitive processes such as decision-making.

Zamir & Sulitzeanu-Kenan propose that holding potential gains and risks from self-interested behaviour constant, self-serving behaviour may be reduced by greater awareness of the relevant norms. This may be achieved by drawing officials' attention to them before they make decisions, emphasizing personal responsibility and inculcating an ethical work environment (Zamir & Sulitzeanu-Kenan, 2017:586). The underlying concern is that

automatic and largely unconscious biases may hinder the promotion of public good. It has been shown that moral disengagement and motivated forgetting of ethical rules can be significantly reduced by having participants read or sign an honour code or by other explicit messages regarding the relevant norm (ibid.). This is supported by Belle & Cantarelli (2017), who in their meta-analysis demonstrate that moral reminders can be a useful tool to reduce and prevent unethical behaviour in the workplace. Hence, code of ethics can communicate injunctive messages by detailing behaviours that will be judged acceptable versus nonacceptable (Belle & Cantarelli, 2017). This leads to the following hypothesis:

Hypothesis 6 (H6): Awareness of ethics moderates the relationship between incentives for official misconduct and the actual engagement in official misconduct.

4.5. Guilt

As reasoned above in relation to PCT, human action is directed towards the pursuit of private interest only if the action is not restricted by ethical or moral restraints (Buchanan & Tullock, 1962:27). Therefore, the following chapter will present theory on guilt. First, theory on the emotion of guilt will be elaborated in order to define guilt. Second, it will be unfolded why individuals will strive to avoid guilt.

4.5.1. Definition of guilt

In the following section, the emotion of guilt will be unfolded. The aim is to define guilt as the definition and understanding will be essential in order to answer the research question.

In general, the emotion of guilt can be described as occurring when an individual has evaluated one's current situation as negative with regards to the observation that the individual has violated an important social norm in a blameworthy manner (Keetelar & Au, 2003). In other words, guilt is an emotion linked to the moral domain and prevention of bad actions. The general idea is that guilt attention is focused on the wrong action and the evaluation is concentrated on a single behaviour not on the individual. Guilt arises after an evaluation of the behaviour, reflecting the appraisal that one has caused harm, loss, or distress to someone (Hooge et al., 2008) Hence, guilt is an emotion that arises after a moral transgression. This is in accordance with Sløk's (2014) definition of guilt (Sløk, 2014:20). Following Sløk (2014) reasons, that guilt is not perceived "*just as a feeling, but as an experience with an event that had caused accusations of guilt or negotiation about who was guilty / cause of the event*" (ibid:18). Accordingly, guilt is not only a feeling, but also an accusation about who is guilty or caused an event. As mentioned previously, blame and guilt will be juxtaposed in this thesis as Sløk (2014) defines blame as the action that leads to guilt (ibid.). Accordingly, Hood defines blame as: "*the act of attributing something considered*

to be bad or wrong to some person or entity” (Hood, 2011:6). In addition, Sløk argues that guilt is the negative side of responsibility and vice versa. This means that guilt and responsibility are two sides of the same coin and it is not possible to talk about responsibility with talking about guilt (Sløk, 2014:23). However, the empirical evidence illustrates that managers want to be responsible until they have to address the question of guilt. Despite this, Sløk (2014) argues that it is not possible to separate responsibility and guilt.

In defining guilt, it is essential to differentiate between guilt and shame as the definitions are often used interchangeably (Tangney, 1991). Tangney (1991) reasons that it is useful, both theoretically and empirically, to distinguish between the two emotions (ibid.). Initially, guilt and shame are similar on several parameters (Daniels & Robinson, 2019). First, they are both considered self-conscious emotions, since they require self-reflection and self-evaluation and arise when the self is appraised not to have lived up to an expectation or standard. Second, they are both considered social emotions, given that they result from a failure to live up to standards that are shaped by the social environment and tied to analysis of how the self must appear to others when one has violated the standards (ibid.). Relatedly, these are often considered moral emotions because their aversive nature can provide a powerful motivational push to behave in normative ways that benefit others (ibid.). In differentiating between guilt and shame, it is relevant to focus on the role of the self (Tangney, 1991). Guilt involves the self’s negative evaluation of specific behaviours whereas shame involves the self’s negative evaluation of the entire self. Hence, these emotions differ in terms of the scope of the evaluation itself. Shame uniquely involves a negative evaluation of the self, exemplified by “I am a bad person”. In contrast, guilt involves only a negative evaluation of one’s behaviour, exemplified by “I behaved badly” (Daniels & Robinson, 2019; Sløk, 2011). As a result, guilt is an adaptive feeling, whereas shame is a maladaptive feeling. This will be elaborated in the next section.

4.5.2. The effect of guilt on behaviour

The aim of this section is to further address why individuals are motivated to avoid guilt and the strategies they employ to do so.

For centuries, researchers have argued that moral emotions such as guilt motivate cooperation or lead to prosocial behaviour (Adam Smith, 1759; Frank, 1988; Ketelaar & Au, 2003). Some emotions have an important role in protecting ethical goals, helping people to realise that certain actions are morally wrong and motivating appropriate responses when such actions are identified. Hooge et. al (2007) define these emotions as moral emotions that are linked to the interests or welfare of society or of other people. In 1759, Adam Smith stated that moral emotions motivate cooperation. These emotions direct people to focus on the other and how one’s own behaviour affect the

others well-being. As a result, when there is a conflict between the self-interest of a person and the interest of a group, moral emotions are claimed to motivate people to act in favour of other people's interest (Smith, 1759:9).

Frank (1988) elaborated on the cooperative effect of moral emotions, as discussed by Adam Smith, in relation to his commitment theory. Individuals are often confronted with situations where they have to choose between disloyalty, which will reward the individual in the short run but is costly for the group and the individual in the long run, and cooperation which is costly for the individual in the short run but beneficial for the group and the individual's self-interest in the long run (Frank, 1988:46). Frank demonstrated how moral emotions, in principle, solve the conflict between immediate and long-term self-interest (ibid.:52). He referred to this conflict as a commitment problem. The argument is that commitment problems arise whenever immediate incentives run contrary to one's long-term interests. Frank (1988) reasoned that moral sentiments could explain why some individuals shirk the immediate payoff associated with defection in favour of more cooperative strategies (ibid.:53). This is elaborated in the following quote, where he observed that moral sentiments: *"can and do compete with feelings that spring from rational calculations about material payoffs ... Consider, example, a person capable of strong guilt feelings. This person will not cheat even it is in her material interest to do so. The reason is not that she fears getting caught but that she simply does not want to cheat. Her aversion to feelings of guilt effectively alters the payoffs she faces"* (ibid.).

Frank (1988), argues that if an individual experience feeling of guilt while contemplating cheating, then this feeling can serve as a counterweight to the immediate payoffs that could be gained from this strategy (ibid.). Hence, Frank (1988) proposed that moral sentiments, including guilt, function as commitment devices. Ketelaar and Au (2003) empirically demonstrate that the moral emotion of guilt, motivates people to act prosocially, which has positive consequences for the people around them.

However, Sløk (2014) also states that guilt is rarely addressed in organisations (Sløk, 2014:12). One of the reasons is that guilt is a moral issue. The question of guilt includes the question of right and wrong. Thus, the person subjected to guilt will also be judged as an amoral person (ibid.:13). As a result, guilt is rarely discussed openly, which makes it difficult to address the question of guilt.

In relation to the above, POs will strive to avoid blame (Hood, 2011:17). To the question why POs should care about the risk of blame, it is reasoned that most individuals can be expected to care about blame simply because it is a psychological trait (ibid.:7). Beyond that, POs have several reasons for having concerns with blame. First, managers will care about blame if they perceive that it will reduce their prospects of promotion, bonuses, or staying

in their current job. Secondly, professionals will care about blame if they believe it will diminish their reputations in ways that will damage their career or produce expensive law suits over malpractice (ibid.:8). Hence, there is a strong drive to avoid guilt among POs, leading to strategies that are adopted by POs for deflecting or avoiding blame (ibid.:17). The three overall blame avoidance strategies are termed presentational strategies, agency strategies, and policy strategies (ibid.:17). The presentational strategies deal primarily with the loss or harm perception dimension of blame. This strategy works on arguments for limiting blame or turning blame into credit (ibid.:19). Agency strategies focus mainly on the issue of who or what can be held responsible. The policy strategies are ways of trying to avoid blame by decision-making processes. Hence, this strategy works on the selection of policies or operating routines to minimise risk of blame (ibid.:18)

Regarding the above, the fact that guilt is not addressed and often neglected in organisations makes it relevant to investigate whether addressing guilt affects the incentive for official misconduct. Following, guilt governs self-interested behaviour and motivate people to act prosocially, which has positive consequences for the people around them. Based on the above, the following hypothesis is proposed:

Hypothesis 7: The difficulty of placing guilt positively correlates with official misconduct.

4.6. Theoretical model

Based on the theoretical foundation articulated above, the following section will present the theoretical model outlining the deduced hypotheses followed by an explanation of the model.

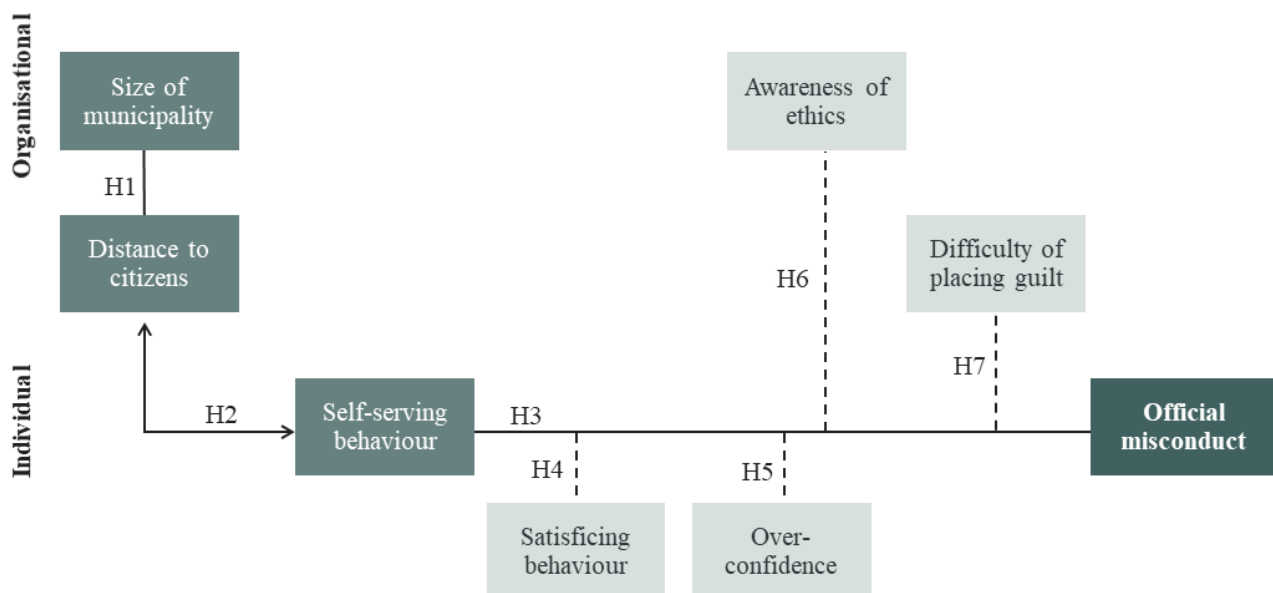


Figure 6: Theoretical model

After formulating the hypotheses, two levels of analysis became evident; the organisational and individual level. The organisational level stems from the assumption underlying PCT that individuals will rationally maximise their utility if not restrained by institutions. This results in an analytical focus on how such institutions on an organisational level (do not) restrain the pursuit of private gain. Such institutions can be Principals observing their behaviour and/or code of conducts/ethics. Thus, the boxes of “The size of the municipality” and “Awareness of ethics” are placed on the organisational level. The individual level stems from the economic-individualist methodology of PCT where individual behaviour is put as its central feature enabling us to reach conclusions at the collective level by observing individuals (Buchanan & Tullock, 1962:3). Thus, the box “Self-interested behaviour” is to be found on the individual level alongside official misconduct. The boxes stemming from behavioural economics, “Satisficing vs. maximising behaviour” and “Overconfidence”, are also placed on the individual level. This is due to the fact that behavioural economics also focus on individual behaviour, however not aggregating this to the collective level (Alm & Bourdeaux, 2014).

The two boxes, “Distance between public officials and citizens” and “Difficulty of placing guilt”, are placed in-between the organisational and individual level. The distance between POs and citizens is affected by the size of the municipality from the organisation level. However, an increased distance makes it more difficult to control the behaviour of the individual PO who will then individually pursue private gain (Eisenhardt, 1989). The difficulty of placing guilt is also affected by the size of the municipality but also other organisational institutions and thus, the placing of guilt happens on an organisational level. However, the feeling of guilt happens on an individual level and explains why the individual PO will attempt to avoid the feeling (Ketelaar and Au, 2003).

The lines depicting H1-H3 are bold and the boxes connected by these lines are darker because they comprise the main behavioural assumption employed in this thesis, that is that individuals are rational utility-maximisers and thus, human action is directed towards the pursuit of private interest only if the action is not restrained by institutions (Buchanan & Tullock, 1962:27). The line depicting H2 goes both ways illustrating that the distance between POs and citizens and the POs’ self-interested behaviour affect each other mutually. The lines depicting H4-H7 are stippled because they expand the behavioural assumption of rational individuals and thus moderates the relation between the POs’ self-interested behaviour and official misconduct.

5. Methodology

The aim of the following chapter is to explain the research methods of this thesis. First, an account of official misconduct as a case study will be uncovered. Second, the research design will be presented. Third, the reliability and validity in this context. First, an account for case study as a study design will be presented. Second, the data

collection method will be unfolded. Fourth, the empirical foundation of this thesis will be presented. Fifth, an introduction to the general analytical strategy will be facilitated. Last, the validity and reliability of the case studies and this thesis will be discussed. Last, the case study of official misconduct will be elaborated.

5.1. Case study of official misconduct

The approach used to test the hypotheses of this thesis is falsification via empirical data. This is due to the hypothetical deductive approach, as described in the theory of science.

The empirical study of official misconduct is challenging. Perpetrators of crimes such as official misconduct will try to cover their involvement and are generally unwilling to provide information, since it can result in a legal penalty. Additionally, the study of official misconduct is inhibited by the fact that it often is a generally consensual crime, in which two or more parties agree to the transgression covertly and therefore tend to stimulate secrecy (Thachuk, 2005). The possibility of speaking up puts the perpetrators in a prisoner's dilemma in which pointing a finger at oneself or the accomplice incriminates both parties. The outcomes are most favourable for both if neither unveils the crime (Knudsen, 2011:152). Hence, the most common methodology for the study of official misconduct is expert's analysis and statements about the presence and causes of official misconduct (Gorsira et al., 2018). However, within the study of official misconduct, case studies are also a relevant research method. Yin (1994) defines a case study as *"... an empirical inquiry that investigates a contemporary phenomenon within its real life context, especially when the boundaries between phenomenon and context are not clearly evident"* (Yin, 1994:13). The purpose of using a case study research design is to gain a profound understanding of a specific phenomenon in relation to a concrete context, as well as how this phenomenon unfolds in the context (Darmer et al., 2010:145; Yin, 1981:59). Therefore, in relation to the fact that this study analyses how the phenomenon of official misconduct unfolds at a municipal level, the case study design has been chosen for this thesis. Furthermore, it can be argued that official misconduct happens due to human choices and inclinations, which is an area uncoverable via specific cases and context-dependent knowledge (Flyvbjerg, 2006). According to Flyvbjerg (2006), an advantage of choosing a case study is *"... that it can "close in" on real-life situations and test views directly in relation to phenomena as they unfold in practice."* (ibid.:235). The case study can thereby be seen as a research strategy that focuses on understanding the dynamics present within the cases (Eisenhardt, 1999:534; Yin, 1981:58).

Based on the above, it can be reasoned that as the aim of this thesis is to study why POs engage in official misconduct and the situation under which they engage in this behaviour, a case study research offers the opportunity to intensively study actual official misconduct and the context under which the behaviour occurs

(Gorsira et al., 2018). As mentioned previously, the sample consists of Danish municipalities. Below, the process of preparing the collection of data and the collection will be presented.

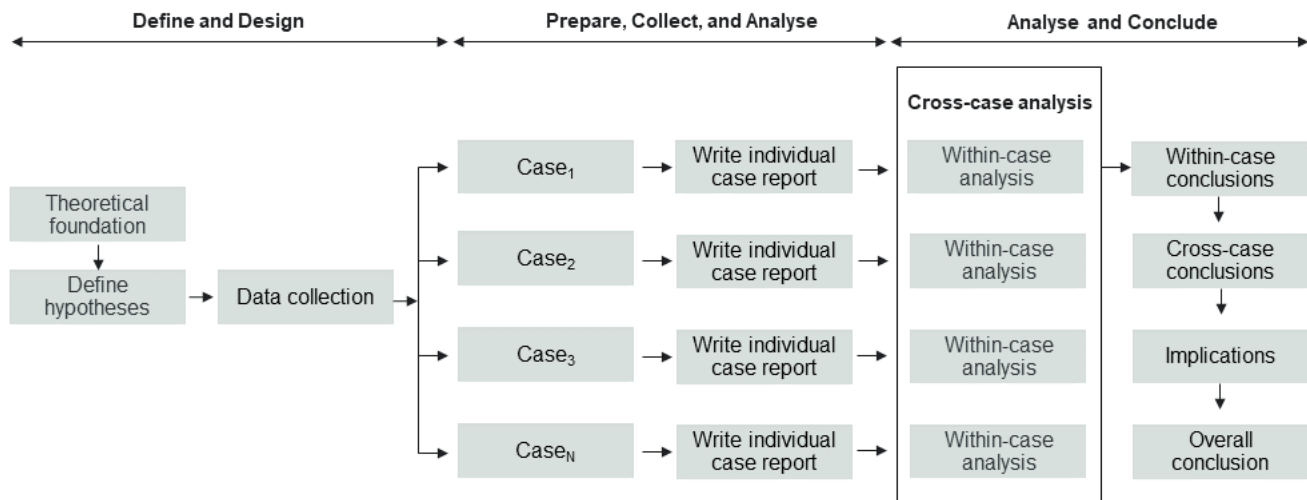


Figure 7: The case study research design of this thesis inspired by Yin (2018)

Figure 7 illustrates the multiple-case study research design adopted in this thesis and inspired by Yin (2018:58). This will briefly be unfolded below.

The first step is to define and design the theoretical foundation and the hypotheses. This was carried out at the beginning of the case study. The second step is to initiate the data collection process. This process will be addressed in 5.1.1. Data collection method. In the *Prepare, Collect, and Analyse* phase, the first step is to prepare the different cases, including writing individual case reports. The individual case reports appear in 6.3. Case descriptions. In the *Analyse and Conclude* phase, the first step is to conduct within-case analyses followed by a cross-case analysis. The second step is to draw within-case conclusions, seeking to falsify the hypotheses. This is followed by cross-case conclusions, seeking to falsify the hypotheses at an aggregated level. These steps lead to the implications of the thesis followed by the overall conclusion of the thesis. Figure 7 constitutes the overall structure of the remaining thesis.

5.1.1. Data collection method: Application to access to documents

The purpose of this section is to explain the data collection method. First, the initial field of interest and the initial considerations about methods of data collection will be explained. Second, a description of the legal aspects of applying for access to documents from the public sector is provided. Third, the development and execution of the research design will be explained. Last, we will describe general consequences of the approach to collecting data.

The detailed description furthermore increases the transparency by clarifying the research procedures, hence increasing the reliability (Gilbert et al., 2008:1468).

Initial field of interest

The initial field of interest was official misconduct and whether guilt can have an influence on official misconduct. The theoretical understanding of official misconduct was formed by PCT assuming that the individual is a rational, self-interested utility-maximiser (Buchanan & Tullock, 1962:34). The initial field of interest was two-fold. First, we were interested in knowing the costs associated with official misconduct and second, what the outcomes are when a commission is requested to investigate if official misconduct has occurred. This initial interest was a critical determinant for the choice of data collection method. Our initial thoughts were to do case study as case study research enables an analysis of official misconduct and the context under which it occurs (Flyvbjerg, 2006). Thus, from the very beginning, it was decided that we were going to apply for access to documents from the public sector. More specifically, we were going to apply for the legal bills and the legal reports related to investigations of official misconduct. This necessitated a demarcation of the public sector. Because of the scope of this thesis and the limited time, it was not possible to investigate official misconduct in the entire Danish public sector. The initial decision to limit the public sector to Danish municipalities was determined mainly by a search for official misconduct via the search engine Infomedia. By searching for official misconduct on InfoMedia, we identified several cases of official misconduct at municipality level. Thus, contact to “Kommunernes Landsforening” (KL) was established to see if they knew anything about investigations similar to commissions of inquiry but on a municipality level. The e-mail sent to KL can be found in appendix 1. KL responded that they were not familiar with commissions appointed on a municipality level but that municipalities often initiate a legal investigation. KL recommended to search for official misconduct via Infomedia to get an overview of the instances of official misconduct and then select the relevant cases for further investigation. Such a search had already been made. However, the e-mail still became critical for the following steps. Because of KL, it was now clear that municipalities initiate legal investigations, and not commissions. This e-mail was the starting point for the process of applying for access to documents. Before describing this process, it is relevant to first describe the legal aspects of applying for access to documents.

Legal aspects of applying for access to documents

The Access to Public Administration Files Act gives everyone the right of access to already existing documents (Dansk Journalistforbund). Some documents are exempted from the right of access to documents. Examples of these are criminal cases (§ 19) and personnel matters (§ 21).

According to § 9 of the Access to Public Administration Files Act, an application for access to documents must:

1. Contain the information that are necessary to identify the case or the documents that one is applying for access to
2. State the theme that the case or the documents are related to

Whether or not the requirements of identification are met is assessed in the particular case (Dansk Journalistforbund). The authority can reject the application if the civil servant estimates that it will require a disproportionate use of resources, more than 100 working hours, to meet the application (§ 9, sub-paragraph 2, no. 1) (Appx. 3).

The process of applying for access to documents

This section will be divided into subsections that each describe the different rounds of applying for access to documents. The process of applying for access to documents was characterised by trial and error approach. In the following section, the seven rounds of applications to access to documents will be described. The below model illustrates these seven rounds.

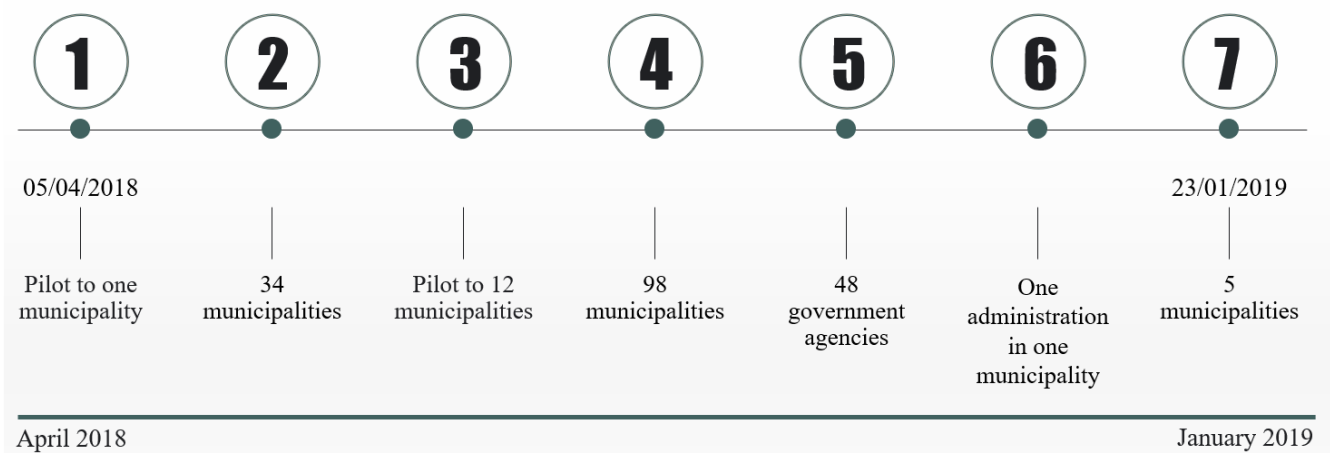


Figure 8: Process of applying for access to documents

First round of application to access to documents

The first round of application to access to documents was initiated on 5 April 2018. Based on the e-mail from KL and publicly available guidelines for applying for access to documents, the first application to the Danish municipalities was formulated.

To whom it may concern

We are three students that study business administration and psychology at Copenhagen Business School. We apply for access to documents related to external legal investigations that have been appointed in XX municipality in connection with suspicion of official misconduct. We wish for an overview of both direct and indirect costs associated with these external legal investigations and also what the result of these has been. Our application also implies a list of documents in relation to these external legal investigations.

We are interested in all external legal investigations concerning official misconduct that have been initiated since XX municipality started to keep a register of this.

Please let us know if you have any clarifying questions to the above.

Kind regards

Translation of application - Appendix 3

To be in accordance with § 9 of the Access of Public Administration Files Act (requirement of identification), the application states a request for an overview of direct and indirect costs, the results of external legal investigations and list of documents. Furthermore, the application states the theme that the application is related to, that is external legal investigations in connection with official misconduct. At that point in time, it was believed that this formulation enabled the authorities to identify the types of documents that were applied for access to. In hindsight, it is possible to be more critical towards the specification of the requested documents and thus the application can be criticized of not fulfilling the identification requirement, cf. § 9 of the Access of Public Administration Files Act.

A pilot test was conducted, and the application sent to one municipality where one instance of official misconduct was identified via the Infomedia search. The purpose of this was to test whether the municipality understood the application and to see the kind of response received from the municipality. The application was sent to Haderslev because it became evident through the Infomedia search that there had been suspicions of official misconduct in 2014. The application was understood but rejected since the case of official misconduct was a criminal case, cf. § 19 of the Access of Public Administration Files Act. This response was perceived positive. Based on this pilot test, it was decided to continue with the first application.

Second round of applying for access to documents

The Danish municipalities were randomly and equally divided between the three researchers meaning that each of us was responsible for sending the application to the assigned municipalities within a set timeline. After sending the application to the first 34 municipalities, the process was put on hold because several municipalities that had

received the application requested a clarification of the application since it was too broad. Odense informed us that the application could be rejected because of the disproportionate use of resources necessary to meet the application, cf. § 9, sub-paragraph 2, no. 1. This was due to the difficulty of estimating the indirect costs associated with official misconduct or suspicion hereof. It was agreed with a civil servant from Odense to limit the application to consist of cases within a period of 10 years: 01.01.2008 to 30.04.2018 and exclude the indirect costs from the application. This made it possible for Odense to meet the application and the requested documents were received. A civil servant from Copenhagen also responded to the request by stating that the application was too broad and should be narrowed. The civil servant arranged a meeting with the head of legal affairs in Copenhagen so she could help specify the application of access to documents. This feedback from the municipalities stating that the application was too broad indicated that our understanding of the positive feedback from Haderslev in the pilot test, was not indicative of the responses we then received from the other municipalities. The feedback marks the beginning of the third round of applying for access to documents. The responses from the 34 municipalities are shown in Table 4.

2. round	Number of authorities
Access to documents obtained	1 (Odense)
No instances of official misconduct	28
Application rejected	2
No responses	3

Table 4: Responses to application sent to 34 municipalities

Third round of applying for access to documents

Based on the previous round, it was decided to send one more pilot test to a bigger sample of municipalities, consisting of more municipalities than just one. The application used in this pilot incorporated the feedback from Odense and thus, consisted of a time constraint of 10 years.

To whom it may concern

We are three students that study business administration and psychology at CBS.

We apply for access for documents related to legal investigations that have been appointed in XX municipality in connection with suspicion of official misconduct. We wish for an overview of both direct and indirect costs associated with these external legal investigations and also what the result of these has been. Our application also implies a list of documents in relation to these external legal investigations.

We are applying for access for documents in relation to all external legal investigations during time the period 01/01/2008 to 30/04/2018.

Please let us know if you have any questions

Kind regards

Translation of application – Appendix 3

The application was sent to 12 municipalities. Two municipalities rejected the application because they did not have the requested documents related to legal investigations. This was perceived as a negative response indicating a need for specifying the application. However, positive feedback was received from 10 municipalities that informed us that they did not have instances of official misconduct. This indicated that they understood of the application and thus, an improvement after the second round of applying for access to documents. However, before sending the improved application to the rest of the municipalities, the process was once again put on hold until after the meeting with the Head of Legal Affairs from Copenhagen. By putting the process on hold it was possible to incorporate potential feedback. During the meeting, a narrower application was jointly formulated. The main takeaway regarding the formulation of the application was to first apply for access to a general overview of the cases of official misconduct in the municipalities in a five-year timeframe. Then, after receiving this overview, applications could be sent in relation to the relevant cases from the overview. This marks the beginning of the fourth round of applying for access to documents. The responses from the 12 municipalities are shown in Table 5.

3. round	Number of authorities
Access to documents obtained	0
No instances of official misconduct	10
Application rejected	2
No responses	0

Table 5: Responses to application sent to extended pilot sample (12 municipalities)

Fourth round of applying for access to documents

In this round, the following application was used.

To whom it may concern

We are three students that study business administration and psychology at CBS. In January, we are writing our thesis about blame and responsibility in public management with a focus on official misconduct in municipalities.

Therefore, we wish for an overview of the following: What cases have existed in XX municipality in relation to official misconduct and suspicion hereof in the time period 01/01/2013-31/07/2018 where external legal assistance has been employed? Thus, we would like a list of documents of the cases that come under the scope of this category.

Please let us know if you have any questions.

Kind regards

Translation of application – Appendix 3

In this formulation, the recommendations from the Head of Legal Affairs in relation to applying for a general overview of cases of official misconduct and constraining the application to a five-year timeframe was implemented. The requested documents are an overview of cases of official misconduct with the purpose of applying for further documents afterwards.

The above application was sent to all 98 municipalities in Denmark. The reason why the application was sent to all municipalities again was that the definition had been narrowed down to a five-year timeframe and the previous formulation of the application was changed. After sending this round of applications, it was discovered that no municipalities have such a general document that lists cases of official misconduct. According to the Access of Public Administration Files Act, authorities are not obliged to create documents to meet an application to access to documents (Appx. 24), thus two different responses in this round were received: some municipalities explained that they have never had any instances of official misconduct and some municipalities rejected the application because they did not have the requested document. Copenhagen was one of the municipalities that rejected our application.

Since a lot of the small municipalities responded that they have never had instances of official misconduct, it was reconsidered whether the sample should consist exclusively of Danish municipalities. This marks the beginning

of the fifth round of applying for access to documents. The responses from the 98 municipalities are shown in Table 6.

4. round	Number of authorities
Access to documents obtained	5
No instances of official misconduct	79
Application rejected	13
No responses	1

Table 6: Responses to application sent to 98 municipalities

Fifth round of applying for access to documents

It was decided to apply for access to documents from the Danish agencies. The working hypothesis was that there might be more cases of official misconduct or suspicion hereof in the agencies because they are placed higher in the bureaucracy and thus, they are further away from the citizens. The feedback received from the municipalities in the previous rounds was incorporated in the application to the agencies and thus, the formulation was as follows:

To whom it may concern

We are three students that study business administration and psychology at CBS. During the next six months, we are writing our thesis about blame and responsibility in public management with a focus on official misconduct in municipalities.

We apply for access for documents related to legal investigations that have been appointed in XX agency in connection with suspicion of official misconduct during the period 01/01/2013-31/07/2018.

Please let us know if you have any clarifying questions to the above.

Kind regards

Translation of application – Appendix 3

After applying for access to documents from 49 Danish agencies, the working hypothesis was disconfirmed. 35 agencies had never had cases of official misconduct where external legal investigations had been employed. Four agencies had had one case each. However, three of these agencies rejected the application, referring to § 21 that exempts personnel matters from the right of access to documents. Furthermore, one last agency also rejected the application referring to § 21. Only one agency had had one case of official misconduct in the five-year period and thus provided access to the legal bill in connection with the investigation. Access was not provided to the legal report as the investigation was still ongoing.

After the fifth round of applications, documents in connection with 10 cases of official misconduct were received from five municipalities. 79 municipalities had responded that they have not had any instances of official

misconduct in the period examined. 13 municipalities had rejected the application. Thus, response from one municipality were still missing. Applying for access to documents from Copenhagen had shown to be quite difficult. Thus, contact with a journalist from Journalista.dk who had experience with applying for access to documents was established, (Appx. 4). The journalist responded that the application must strongly emphasize the types of documents that are requested and make it very specific how the authorities are to search for the requested documents. Otherwise, the journalists advised to first, apply for access to all legal bills in the authority; second, review the received legal bills; and third, apply for access to documents related to the relevant legal bills. This marks the beginning of the sixth round of applying for access to documents. The responses from the 49 agencies are shown in Table 7.

5. round	Number of authorities
Access to documents obtained	1
No instances of official misconduct	35
Application rejected	5
No responses	8

Table 7: Responses to application sent to 49 government agencies

Sixth round of applying for access to documents

The feedback received from Copenhagen in round two and three was that the application was too broad. Based on this feedback and the feedback received from the journalist from Journalista.dk, the application was narrowed down in this round.

To the person concerned

We are three students that study business administration and psychology at CBS. During the next six months, we are writing our thesis about blame and responsibility in public management with a focus on official misconduct in municipalities.

Therefore, we wish to get access to legal bills where a law firm has investigated official misconduct or suspicion hereof in XX in the Department of Social Services. Furthermore, we wish to get access to the report(s) composed by the law firm in connection with these cases of official misconduct.

Official misconduct is defined as: a breach of the law where an employee, employed at the municipality, has abused or taken advantage of his/her public office.

Thus, we wish to get access to the following documents per case of official misconduct in the Department of Social Services in XX:

- Legal bills
- Report(s) written by the law firm

Please let us know if you have any clarifying questions to the above.

Kind regards,

Translation of application

As can be seen from the above application, it is directed towards one administration in Copenhagen, Social Services Department, and the time period has also been narrowed down to one year. The purpose was to see if this was narrow enough to gain access to documents. Furthermore, a definition of official misconduct was added because during the previous rounds, it was discovered that municipalities requested a clear definition to be able to respond to the application.

After sending the application to the Social Services Department, a civil servant from Copenhagen called us. His feedback was that it was not possible to meet the application because the internal system in Copenhagen is not built in a way where they register cases in relation to official misconduct (Appx. 5). It was not possible to find the documents by using few and simple commands in the system, cf. Legal aspects of applying for access to documents. The civil servant could search for administrative cases in the system. However, this would yield such a high number of results that the application would be rejected because of the disproportionate use of resources (§ 9) that it would take to go through all the results to identify which of these that were related to official misconduct. He could also search for all legal bills but since Copenhagen use external legal assistance in small and big regards, this would also yield a high number of results and the application would again be rejected because of the disproportionate use of resources (§ 9). The only way to get access to the requested documents was if the application stated very specific cases of official misconduct since this made it possible for the civil servant to

extract the documents connected with these specific cases. This marks the beginning of the seventh and final round of applying for access to documents. The response from Copenhagen is shown in Table 8.

6. round	Number of authorities
Access to documents obtained	0
No instances of official misconduct	0
Application rejected	1
No responses	0

Table 8: Responses to application sent to one administration in Copenhagen

Seventh round of applying for access to documents

The seventh round of application to access to documents was initiated on 23 January 2019. One final search on InfoMedia for official misconduct in Danish municipalities was initiated in order to identify cases of official misconduct and then apply for access to documents related to these specific cases. Eight cases of official misconduct from five different municipalities were identified, wherein four of the cases were in Copenhagen. Simultaneously, different newspapers (BT, Politiken, Jyllandsposten, and Danske Kommuner) and unions (KL, HK, Akademikernes A-Kasse, DJØF, and Magisternes A-Kasse) were contacted. The purpose was to identify cases of official misconduct by entering into dialogue with employees of these newspapers and unions in the hope that they could remember such cases. However, this did not yield any specific cases of official misconduct. Thus, based on the InfoMedia search, the new applications were sent to the five municipalities where the identified cases of official misconduct originated from (Appx. 3). Four of the municipalities responded that they had not used external legal assistance in the stated cases. Copenhagen provided access to documents related to three cases of official misconduct. However, access to these documents was not provided at the same time. It was not until March 2019 that all the documents were received from Copenhagen. The responses from the five municipalities are shown in Table 9.

7. round	Number of authorities
Access to documents obtained	1 (Copenhagen)
No instances of official misconduct	4
Application rejected	0
No responses	0

Table 9: Responses to application sent to five municipalities

After the seven rounds of applying for access to documents, access was gained to documents related to 13 individual cases of official misconduct. However, when reviewing the documents, it became clear that the

documents received from Nyborg were not related to official misconduct. Thus, this case is excluded from the data set. Figure 9 illustrates the results of the applications sent to municipalities.

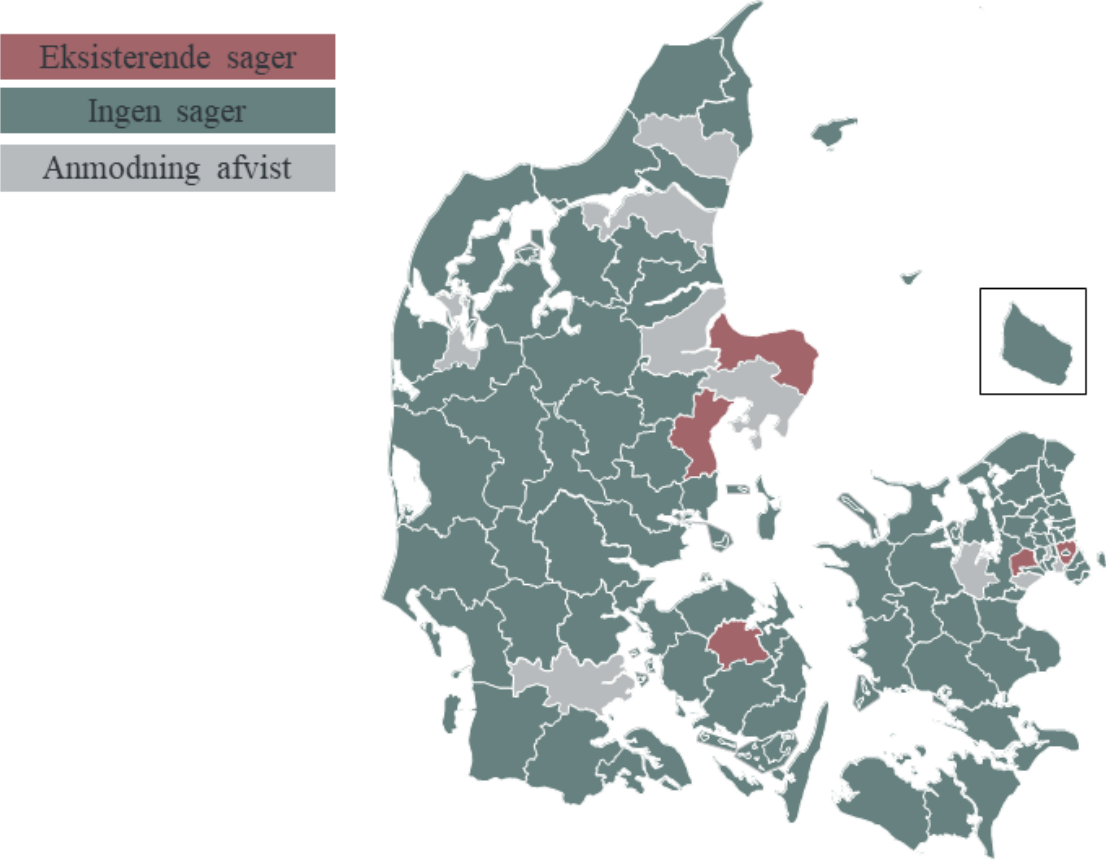


Figure 98: Overview of responses from the 98 municipalities

The final responses from the 98 municipalities are shown in Table 10.

Final results	Number of authorities
Access to documents obtained	5 (Copenhagen, Aarhus, Odense, Høje-Taastrup, Norddjurs)
No instances of official misconduct	80
Application rejected	13
No responses	0

Table 10: Final results from the 98 municipalities

General consequences and selection of cases

Because of the lack of experience with applying for access to documents, the approach was characterized by trial and error. After every step in the process, formative evaluation was performed in order to learn from the steps

taken (Bonderup, 2012). When reviewing the applications to access to documents, it is clear to see a positive development throughout the process. Thus, the last few applications are characterised by a higher degree of specificity. However, by entering into dialogues with civil servants from the municipalities, it was possible to gain access to documents throughout the entire process, and not only in the end of the process. The result of this process is that the empirical foundation of the thesis is a selection of cases. First, we can designate the different cases. Second, best practice in relation to case studies is to include 4–10 cases (Eisenhardt, 1989). Third, the case material has been collected through a systematic and well-documented process, and hence it is argued that the empirical foundation primarily covers the sample. As a result of the data collection the empirical foundation consists of multiple cases.

5.1.2 Document analysis

The empirical foundation of this thesis is primarily legal reports and legal bills. Thus, document analysis is used in this thesis and will be elaborated in the following section. These specific documents are defined as materials that exist whether the study is conducted or not.

As described previously the empirical foundation of this thesis is legal reports and legal bills. These documents fulfil the abovementioned criteria, as they both exist prior to and after this thesis itself is constructed. Additionally, the purpose of including the legal documents is to falsify a hypothesis (Darmer, 2010:284), which is the method of this thesis. In relation to this context, an essential methodical focus is the awareness of minimising flaws, for instance by avoiding prejudiced readings (Darmer, 2010:284). This aspect has been followed by the researchers by conducting the initial analysis together. In the initial phase of this thesis, requests for right of document was sent within a specific time period. The documents available within this period have been included in this thesis. Thus, these documents of official misconduct committed in this time period, therefore aim at reflecting an unbiased reality. Generally, the legal reports are initiated based on a suspicion of official misconduct, in which the aim is to uncover the circumstances. Furthermore, the legal reports are generated by impartial parties.

The fact that the documents included in this thesis exist regardless of this study being conducted is considered a powerful strength for both the reliability and validity (Darmer, 2010:283). This element makes a follow study of official misconduct by other researchers possible. Thus, this increases the external validity of this study (Yin, 2018:43). Additionally, the fact that the legal reports are generated by impartial parties is assumed to minimise the influence of political or biased interests in the compilation of the reports. External parties are more impartial not having a share in the outcome of the report.

5.1.3. The validity and reliability criteria in this case study

The case study research design, which is applied in this thesis, is ideal with regards to falsification (Flyvbjerg, 2006). This is due to the case study design demanding a more holistic approach, which makes it possible to uncover aspects of a phenomenon and thereby makes falsification achievable. As described earlier, the hypothetico-deductive approach is a part of the positivistic tradition, in which the way to access the data is based on four criteria: internal validity, construct validity, external validity and reliability (Gibbert et al., 2008:1466). In the following section, these criteria are discussed with regards to approaching the data used in this study.

Internal validity

Internal validity concerns the causal relationship between variables and results (Gibbert et al., 2008). In general, the internal validity refers to the analysis of data. Official misconduct is a complex phenomenon and therefore, it is difficult to address causal relationships between variables. However, the variables that influence each other are deduced based on the theoretical foundation and Figure 6. Therefore, the relationship between variables and results is initially build on the theoretical foundation, hence contributing value to the internal validity of this thesis (ibid). Second, the internal validity is increased through the use of theory triangulation that is employed to take different perspectives into account. This increases the internal validity by enabling validation of the findings and to take different perspectives into account (ibid.).

Construct validity

Construct validity concerns the question of whether a study investigates what it claims to investigate, including if the used procedures lead to an accurate observation (Gibbert et al., 2008). To improve construct validity in this case study, two precautionary measures are used. First, it is essential for the researcher to be transparent in relation to the chosen scientific choices (ibid.). Throughout the thesis, the aim of transparency is among others exemplified in 5.1.1. Data collection method, where all the steps of the data collection are described in detail. Additionally, the literature review and theoretical foundation has also been conducted using a systematic approach. As mentioned previously, this has among others been done by implementing a systematic review protocol. The protocol helps to protect objectivity by providing explicit descriptions of the steps taken to form the literature review and theoretical foundation (Tranfield et al., 2003). By doing so, it enables the reader to reconstruct the study by using the same “steps” as used in this thesis, which enhances the construct validity. Second, the construct validity this thesis is be improved by applying different views on the phenomenon investigated and by using different data collection strategies from different sources (Gibbert et al., 2008). Case studies of official misconduct are often based on only a few cases that came to the attention of the researcher, while most cases are likely to be unnoticed (Gorsira et al.,

2018). To oblige with this and enhance the construct validity, several empirical cases act as the empirical foundation of this thesis. It can be argued that construct validity has been increased, by data collection from all municipalities why the phenomenon has been investigated using a variety of sources of information (Gibbert et al., 2008).

External validity

External validity or generalisability originates from the persuasion that theories should not only be able to describe a phenomenon in a specific context but should also be able to take different contexts into account (Gibbert et al., 2008). To enhance the construct validity, several empirical cases act as the empirical foundation for this study (ibid.). According to Eisenhardt (1989), multiple case studies can be used to build theories and therefore enhance the external validity (Gibbert et al., 2008). Following, Eisenhardt (1989), suggests that a cross-case study may provide good basis for analytical generalisation (Gibbert et al., 2008). Therefore, it can be argued that by using 11 cases from five different municipalities as the empirical foundation, it enables analytical generalisation, which strengthens the external validity of this study.

In addition, Flyvbjerg (2006) also reasons that it is possible to draw conclusions on the basis of cases, however it depends on how the cases are selected. In this study, the cases have been collected through a well-documented process, where there has been applied for access to documents, carried out in several steps, cf. 5.1.1. Data collection method. Hence, it can be argued that this enhances the external validity of this study.

Reliability

Reliability in relation to case studies concern the fact that a study should not contain random errors (Gilbert et al., 2008). If such random errors are completely eliminated, it will be possible to repeat the steps of a specific study and hereby recreate identical results. Thus, the key components of reliability are transparency and replication (Gilbert et al., 2008). Transparency is achievable through precautionary measures such as thorough processing of documentation as well as clarification of research procedures. For instance, this can be done by developing a case study protocol which clearly states all steps of the case study. Furthermore, replication is possible by composing a case study database including notes and the case study documents. In this thesis this case study database is all appendixes. These are organised in a manner, which makes a future replication of the case study possible (Gilbert et al., 2008:1468).

As mentioned earlier, the cases have been accumulated throughout a systematic request of right of access to documents. This process has been documented to enhance transparency and hence the reliability of this case study. On several occasions, during the process of collecting data, the researchers have been contacted by municipalities who had clarifying questions concerning the application to access to documents. The applications for right to access of documents were formulated in a way where we believed that it would be clear for the recipients what documents we were asking for. In hindsight, the clarifying phone calls were not expected and therefore we had not formed an identical formulation of the responses provided to the municipalities. Furthermore, the phone calls were not recorded. This might affect the reliability of this study due to the fact that it may impact whether further researchers can get access to the same empirical foundation that was achieved after the phone calls and therefore replicate our study.

5.2. The general analytic strategy

This section will display the data of this thesis in different ways in order to identify patterns and develop a general analytic strategy that will be applied in the analysis. The purpose is to increase the reliability of the methodology by being transparent regarding the analysis of the collected data.

The data can be presented as consisting of two levels. The first level consists of the 12 cases of official misconduct that emanate from five municipalities. The second level consists of the 98 municipalities and whether they have had legal investigations of official misconduct. These two levels are illustrated in Figure 10.

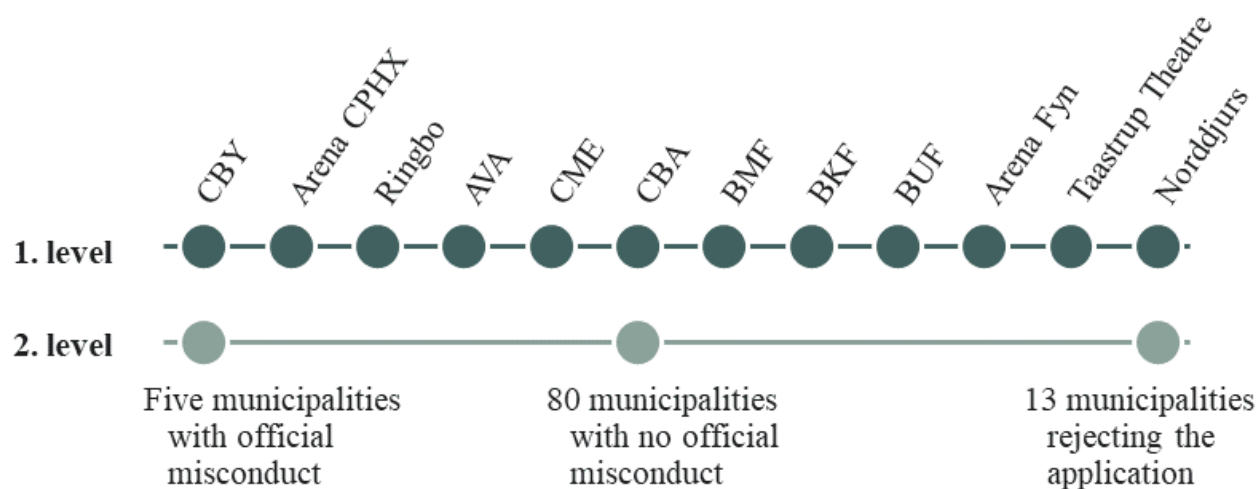


Figure 10: Two general analytical strategies

On the second level, the 98 municipalities have been categorized according to their size. Statistics Denmark (DST) has made such a categorisation where the municipalities are divided into three groups: rural districts (up to 30,000

inhabitants), provincial municipalities (30,001-100,000 inhabitants), and metropolitan municipalities (100,001 and more inhabitants) (Appx. 25). This division will also be used in this thesis, but the groups have been given different names. Table 11 shows the names of the groups, the number of inhabitants, how many municipalities that belong in each group, and how many legal investigations of official misconduct there have been in the groups.

Groups	Number of inhabitants	Number of municipalities	Number of legal investigations
Small municipalities	<30,000	25	0
Medium municipalities	30,001-100,000	66	2
Large municipalities	>100,000	7	10

Table 11: Number of inhabitants and municipalities

This categorisation of the 98 municipalities forms the analytic strategy applied in the analyses of H1 and H2 (Yin, 2018:165). These two analyses take their point of departure from the size of the municipalities. As a result, the cases of official misconduct from the large municipalities will be analysed jointly, just like the cases of official misconduct from the medium-sized municipalities will be analysed jointly.

On the first level, the cases of official misconduct have been categorised according to the overall themes of the investigations. The case from Norddjurs is excluded from this categorisation since access to the legal report was not provided. Thus, it is unknown what the official misconduct specifically involved.

Case studies are very information-rich making it difficult to generalise. Furthermore, it is best practice to work with four to 10 cases when using a case study design (Eisenhardt, 1989). If the data consists of more than 10 cases, it becomes difficult to cope with the complexity and volume of the data (Eisenhardt, 1989). The primary data for this thesis consists of 11 cases, which all more or less contain very detailed descriptions of events related to official misconduct. The number of cases and the degree of the details of the cases make it a very complex data set where “the number of variables of interest far outstrips the number of datapoints (Yin, 1994:13). In order to minimise this complexity, making it more comprehensible for the reader but also for the researchers, the cases have been categorised.

The categorisations, after which the cases have been classified, arose after a thorough review of the 11 legal reports. The cases were reviewed several times to identify similarities and dissimilarities between them. Because of the lack of knowledge about legal investigations of official misconduct and the lack of experience working with the legal reports, the categorisations have been inductively formed. More specifically, the several reviews of the

cases identified the different aspects present in each case making it possible to identify patterns across the cases. The following categories were formed after the reviews of the cases:

- Insufficient management
- Theft
- Illegitimate signing and extension of contracts
- Nepotism
- Secondary occupation
- Bribery
- Forgery of information

One may say that seven categories are too many for 11 cases and thus, that the categorisation of the cases fail to make the data set more comprehensible. However, since the case study design is well suited for understanding a specific phenomenon, like official misconduct, in relation to its contexts, this understanding can be diminished if the cases are forced into fewer categories (Darmer et al., 2010:145; Yin, 1981:59). Thus, by categorising the case studies, we are walking on a fine line between making the data set more comprehensible and losing the uniqueness of each case. The inductive formation of the categories supports the protection of the uniqueness of the cases. Furthermore, since the individual cases often consist of several aspects, each case can be divided into more than one category.

Table 12 shows how the cases have been categorised.

		Insufficient management	Theft	Illegitimate signing and extension of contracts	Nepotism	Secondary occupation	Bribery	Forgery of information
Copenhagen	CBY	x			x	x	x	
	Arena CPHX						x	
	Ringbo	x						x
Aarhus	AVA		x					
	CME	x		x		x		
	CBA				x			
Odense	BMF	x						x
	BKF					x		
	BUF	x						
	Arena Fyn	x		x				
Høje-Taastrup	Taastrup Theatre	x	x					

Table 12: Categorisation of cases

Since several themes are present in each individual case of official misconduct, the structure in the analyses of H3-H7 will follow the individual cases, and not the identified themes across the cases. This constitute the analytic strategy for the analyses of H3-H7 (Yin, 2018:165).

Common to the two general analytic strategies is that when applied in the analysis, the hypotheses will firstly be analysed on the first level of the data set, cf. Figure 10. This entails that each hypothesis will firstly be analysed within each case of official misconduct and evaluated in relation to whether the case falsifies the hypothesis, whether that case being, e.g., official misconduct in the large municipalities (the first analytic strategy) or official misconduct in, e.g., the CBY case from Copenhagen (the second analytic strategy). After the within-case analyses, the hypotheses, except H4, will secondly be analysed on the second level of the data set, cf. Figure 10. This cross-case analysis will analyse how this level contributes to the conclusions from the within-case analyses.

5.3. Limitations of the method

According to Robert Yin (2018), the use of documents as the only source of evidence to analyse a phenomenon is insufficient (Yin, 2018:15). However, Yin (2018) argues that: *“the documentation is useful even though it is not always accurate and may not be lacking in bias”* (ibid.:115). Therefore, documents much be carefully used and should not be accepted as literal recordings of events that have taken place. As mentioned previously, the empirical foundation of this paper is mainly documents consisting of legal reports and legal bills. These legal documents are used to analyse behaviour and sequences of events that have taken place in relation to official misconduct. Below, it will be argued why we believe that the legal documents can act as recordings of an event in regard to this thesis. In relation to using these documents as recordings of events, it can be reasoned that in the preparation of the legal reports, several actions are used to minimise biases and to increase the reliability and validity of the legal reports. One of the arguments is the fact that the legal reports in several of the cases have been shared with the involved parties. The aim is that the involved parties can read the conclusions and share potential perspectives and objections. Hence, it can be argued that by reviewing the legal report, the accuracy of the report possibly increases as it emphasises several points of views. A second argument is the fact that the purpose of several of the legal reports is to describe an event and investigate who is involved and the scope of the case. Therefore, it can be argued that the exact purpose of the legal reports is to objectively describe a sequence of events, why it in relation to this thesis is accepted as literal recordings of events. Last, this is reinforced by the fact that the legal investigation is conducted by an impartial third party.

A major strength of case studies is the fact that it incorporates data from multiple sources of evidence (Yin, 2018:126). Hence, case study evidence originates from several sources (ibid.:127). A rationale for triangulation of

data using multiple sources of evidence in case study research relates to the basic motive for doing case study in the first place: to do an in-depth study of a phenomenon in its real-world context (ibid.:127). Therefore, being both in-depth and contextual means collecting a variety of relevant data and hence relying in multiple sources (ibid.:127). As specified previously, Yin (2018) argues that data triangulation enhances the construct validity. As mentioned beforehand, the evidences of this paper originate from documents in the form of legal reports and legal bills in relation to investigations of official misconduct in Danish municipalities. Therefore, it can be argued that the sources of evidence are identical because it mainly is documents, but from different municipalities. Therefore, it can be argued that a limitation of the methods employed in this thesis is that it primarily uses one data source, why it arguable would have strengthened the construct validation if multiple data sources were applied (ibid.:126).

6. Settings

The chapters so far have generally explained how we seek to apply the theories presented in the theoretical foundation by using a case study design in order to understand official misconduct. Thus, the purpose of this chapter is to set the final stage before analysing the hypotheses. This is done by firstly giving an account of cases of corruption throughout the history of Denmark. Such an account illustrates that corruption has existed for many years. Second, an account of the organisation of the Danish municipalities will be provided since these constitute the setting for investigating official misconduct in this thesis. After accounting for historical cases of corruption and the organisation of the Danish municipalities, the foundation is laid to thirdly and lastly provide case descriptions of the empirical foundation for this thesis.

6.1. Corruption in the history of Denmark

The following account of some of the cases of corruption in the history of Denmark illustrates that corruption is not an isolated occurrence linked to a particular historical period. On the contrary, corruption is a phenomenon with a long historical track record and is also evident today. The categorisation of official misconduct illustrated in Table 12 also applies to the historical incidents described below. The descriptions are divided into the decades in which they occurred.

6.1.2. 1600s

Corfitz Ulfeldt

In a Danish context, one famous case of corrupt behaviour unfolded in Copenhagen in the 1640s (Jespersen, 2017). The example of corrupt behaviour concerns Corfitz Ulfeldt's extensive fraud with trusted funds (Jensen, 2013:51). Corfitz was appointed as Governor, where he controlled the deliveries to the naval fleet (ibid.). He was accused of

gaining personal benefits from the Sound Tolls, which amounted to a monetary gain that equalled the state's annual income (ibid.). In 1644, the King accused Corfitz of abuse of power and corruption. This accusation concerned a case where Corfitz allegedly favoured a circle of important merchants in Copenhagen when awarding supplies to the fleet and the court in return for receiving secret commission. The subsequent investigation of the circumstances could not directly convict Corfitz. However, it did reveal serious irregularities in the administration and thus, Corfitz was relieved of his duties. Before this result of the investigation, Corfitz had escaped to Sweden (ibid.:52).

Peder Schumacher Griffenfeld

Peder Schumacher Griffenfeld was a central part of the King's administration and in 1674, he was appointed the title of Reich Chancellor, which was regarded as the most important office of the country (Jensen 2013:52). After the appointment, Griffenfeld placed several family members at key positions in the administration. When he later went to trial for secretly working for a Danish-French alliance during the Scanian War, several accusations reached the surface, such as embezzlement, official misconduct and majesty insults (ibid.:53). The verdict was the loss of life; however, the death sentence was later overturned to life imprisonment (ibid.).

6.1.3. 1700s

Christian Scavenius

From the beginning of the 18th century, several cases exist where officials in the central administration were convicted of receiving bribes (Jensen, 2013:53). In 1725, for instance, the President of the Supreme Court Justice Christian Scavenius was charged of receiving gifts. Christian Scavenius was sentenced to lose his office. However, from 1730, he was again among the judges of the Supreme Court (ibid.:54).

6.1.4. 1800s

Christian Birch

In 1820, Christian Birch was convicted of fraud. Birch had abused his office and committed one of the biggest frauds within the state in the history of Denmark (Jensen 2013:75). Birch was a qualified lawyer and had a long career in finance management in Copenhagen (ibid.). Due to his job as chief of the finance secretariat, it was possible for Birch during a longer period to pledge and collect money from Government Bonds (ibid.:77). The verdict was loss of honour, office and imprisonment for life (ibid.:316).

6.1.5. 2000s

Several cases of corruption exist today. One of those that received the most media coverage was the Atea case from 2015, which was characterised as being one of Denmark's biggest corruption cases (Jensen, 2016). In this case, Atea was suspected of bribing public employees with gourmet dining and luxury vacations. All the defendants were found guilty.

6.2. Municipalities

This section will provide an explanation of the Danish society as a political organisation consisting of the state, regions and municipalities. The section will focus on the Danish municipalities for which reason the structural reform from 2007 will shortly be explained. This is followed by a description of the election of local councils. Such an understanding is relevant when this thesis applies the theory of collective choice when studying official misconduct on the municipal level.

As of 1 January 2007, Denmark has two levels of administrative-territorial structure (KL, 2009), which is illustrated in Figure 11:

Level 1	The state	
Level 2	Regions	Municipalities

Figure 9: Levels of administrative-territorial structure

The two recent structural reforms happened in 1970 and 2007. During the period from 1970 and 2007, the Danish social welfare started to develop, which challenged the former structure in the public sector. As a result, in 2002, the government established a Commission on Administrative Structure whose task was to recommend changes for the public sector on the basis of an assessment of advantages and disadvantages of alternative models for the structure of the public sector (The Ministry of the Interior and Health, 2007:6).

The commission concluded that the size of the previous counties and municipalities was insufficient for proper task performance and that the distribution of tasks in the public sector was inappropriate in some areas. The commission recommended a total reform of the structure of the public sector. This resulted in a decrease in the number of municipalities to 98, counties were abolished, and five regions were created (The Ministry of the Interior and Health, 2007:13). Figure 12 shows the municipalities in Denmark before and after the structural reform in 2007.

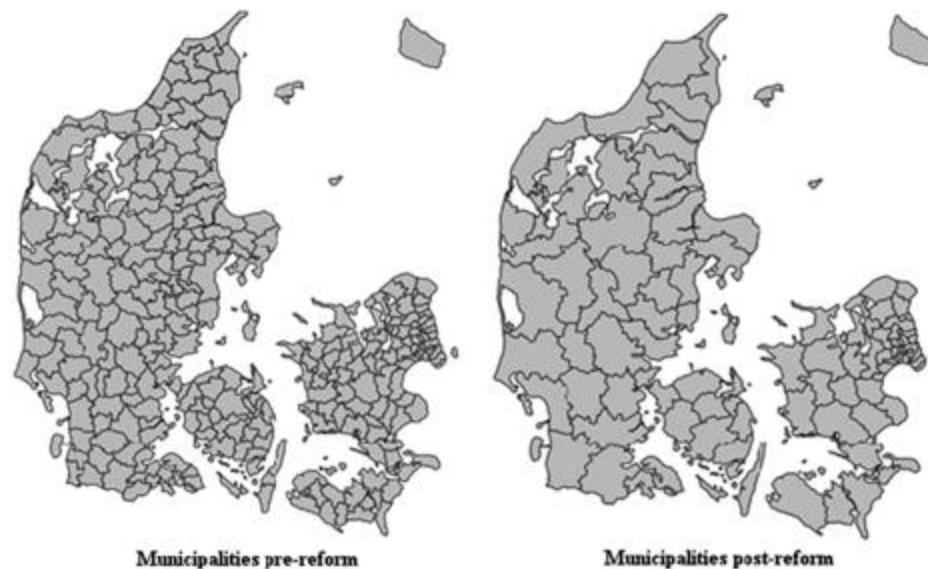


Figure 102: Source Amore & Bennedsen 2013

The aim of the structural reform was to increase economic and administrative efficiency by creating larger municipalities (Amore & Bennedsen, 2013). The commission had pointed out some “grey zones” in the structure of the public sector before 2007 that arose because responsibility for some tasks were divided between several decentralised administrative units (The Ministry of the Interior and Health, 2007:7). In order to eliminate these “grey zones” and increase the administrative efficiency, one of the objectives of the reform was to create clarity and unambiguity as to who is responsible for which tasks (ibid.:41). Thus, the structural reform involved that correlated tasks are solved by the same authority, which increases the transparency and the citizens’ ability to hold the politicians responsible for their actions (ibid.).

The structural reform outlines a public sector where the state sets the overall framework; the municipalities manage the tasks directly targeted at the citizens; and the regions have the responsibility for the healthcare system, they solve larger operational tasks for the municipalities, and they become the dynamo for the regional development (The Ministry of the Interior and Health, 2004:5). Thus, the municipalities are the executing part of the welfare state (Christoffersen, 2013:78) and are responsible for collectivised activities, such as public primary and secondary education, employment, elder care, and social services (Amore & Bennedsen, 2013).

The municipalities are governed by local councils, which are popularly elected by simple majority rule (KL, 2009). The local councils are headed by a mayor who is elected by and among the members of the respective councils (ibid.). This election happens via a simple majority during the first meeting of the council (Amore & Bennedsen,

2013). Thus, the mayor is not popularly elected. The local government elections are fixed to take place every fourth year (KL, 2009) where the citizens of the municipalities have the opportunity to participate in the group choice of electing the local council. The priorities and decisions made by the local councils affect and set the boundaries for the work of the POs and the citizens (KL, 2017). Thus, as described in the theoretical foundation, knowing that collective decisions affecting the citizen will be made regardless of his own action, the citizen is offered the opportunity either to abstain from voting at the local government election or to vote without having considered the alternatives carefully (Buchanan & Tullock, 1962:38). The latter is due to the inherent uncertainty in group choice, as described in the theoretical foundation (ibid.).

When the citizens delegate decision-making authority to the local politicians, who delegate responsibility to the POs, that delegation creates an agency problem: in absence of constraints, representatives may choose to use their official positions to pursue their own self-interests (Bergh et al., 2017).

6.3. Case descriptions

This chapter will provide short descriptions of the cases constituting the data of this thesis. The descriptions of the cases of official misconduct will incorporate the categories identified in 5.2 The general analytic strategy. The purpose is to, hopefully, make it easier for the reader to recall the different cases when they are referred to in the analysis. Figure 13 illustrates the cases and how they are distributed across the municipalities.

COPENHAGEN	AARHUS	ODENSE	HØJE-TAASTRUP	INCOMPLETE CASE	APPLICATION REJECTED	NO OFFICIAL MISCONDUCT
<ul style="list-style-type: none"> • CBY • Arena CPHX • Ringbo 	<ul style="list-style-type: none"> • AVA • CME • CBA 	<ul style="list-style-type: none"> • BMF • BKF • BUF • Arena Fyn 	<ul style="list-style-type: none"> • Taastrup Theatre 	<ul style="list-style-type: none"> • Norddjurs 	<ul style="list-style-type: none"> • 13 municipalities 	<ul style="list-style-type: none"> • 80 municipalities
Total legal costs: 3,608,000 DKK	Total legal costs: 1,242,850 DKK	Total legal costs: 1,786,781 DKK	Total legal costs: 786,781 DKK	Total legal costs: 206,125 DKK		

Figure 13: Overview of cases and legal costs in total

6.3.1. Copenhagen

CBY

Copenhagen provided access to the legal bill and the 129 pages long report prepared by the law firm. This case description is based on both documents. The legal investigation was conducted by Bech-Bruun and cost

1,350,000.00 DKK excl. VAT. All documents received from Copenhagen in relation to this legal investigation, including the e-mail correspondence with Copenhagen, can be found in appendices 6-6C.

The task

In February 2018, Copenhagen asked Bech-Bruun to investigate a number of allegations brought forward in two anonymous appeals to Copenhagen dated 14 September 2017 and 6 October 2017, respectively. The allegations concerned different issues in the department for Technic and Environment (TMF) that deals with building permits, among others, and is a unit in the Centre for Buildings (CBY). Bech-Bruun investigated the following issues:

- Secondary occupation and potential legal incapacity
- Time recording in construction projects
- Legal incapacity in connection with employments
- Acceptance of gifts
- The work environment in a specific unit

As part of the legal investigation, Bech-Bruun made an assessment of three individuals, of whom two were Unit Managers and one was Head of Centre. These three individuals are anonymous in the report and thus called AA, BB, and CC. However, in this thesis, they will be referred to by their titles.

Background

The first appeal was sent via Copenhagen's internal whistleblowing system and stressed suspicions of corruption in the administration of TMF. The whistle blower found it suspicious that a Unit Manager could possess secondary occupation in the same field as his position held in Copenhagen. The second appeal was sent via e-mail to the Lord Mayor by an external citizen in Copenhagen. The citizen expressed concerns in connection with the remaining four issues investigated by Bech-Bruun: time recoding in construction projects, legal incapacity in connection with employments, acceptance of gifts, and the work environment in a specific unit.

Conclusion

Bech-Bruun generally concluded that the allegations did not provide a true and fair view of the discharge of office and the culture in CBY. In light of the assessment of the Unit Managers and the Head of Centre, Bech-Bruun concluded that one of the Unit Managers and the Head of Centre did not act against their obligations. In the investigation of the other Unit Manager's secondary occupation, it was revealed that he might have been promised a discount on a future fee to his private real estate agent. This was a violation of the rules. Furthermore, it was revealed that during an official dressing-down that took place 25 August 2015, the Unit Manager gave an imprecise explanation of his secondary occupation and incorrect information regarding the acceptance of payment. Bech-

Bruun stated that an untrue explanation to one's employer is in itself a serious misconduct, especially when it is given during an official dressing-down. Thus, Bech-Bruun recommended Copenhagen to undertake an official dressing-down with the Unit Manager with a view to further uncover the actual circumstances in connection with the potential promise of a discount. Independent of the results of this official dressing-down, Bech-Bruun recommended Copenhagen to report an official reprimand in consequence of the imprecise and untrue information provided during the official dressing-down in August 2015. This case is categorised under the themes: secondary occupation and bribery.

Arena CPHX

Copenhagen provided access to the legal bill and the 90 pages long, partly anonymized, report prepared by the law firm. However, 39 pages of the report have been detracted because of confidentiality reasons. This case description is based on both these documents. The legal investigation was conducted by Norrbom Vinding (NV) and cost 848,000.00 DKK excl. VAT. All documents received from Copenhagen in relation to this legal investigation, including the e-mail correspondence with Copenhagen, can be found in appendices 7-7A.

The task

In 2017, Copenhagen asked NV to assist in the investigation of four local POs' participation in seven events paid by Arena CPHX P/S (Arena CPHX). NV was asked to evaluate if the POs' participation in these events and the acceptance of potential other benefits were in violation of applicable internal guidelines and if that was the case, NV had to evaluate if it formed the basis for consequences relating to employment law.

The background

The legal investigation was a result of the fact that, in December 2016, several media reported expenses to travels, representation, employee events etc. paid by the company behind Royal Arena, Arena CPHX. As a result, in January 2017, Copenhagen's financial administration sent a review of the Royal Arena issue to the Lord Mayor. On the same day, Copenhagen's financial administration asked the legal department to conduct a legal personnel investigation of the issue for which NV was asked to assist.

Conclusion

NV concluded that Copenhagen's internal guidelines applying to the acceptance of gifts were violated in two of the seven events. The first event was a dinner at a restaurant called *Kadeau* in May 2013. NV concluded that the cover charge of 2,330 DKK implied that the event was over the limit of what the POs could have participated in. The second event was a concert in *Parken* with Robbie Williams in July 2013. NV concluded that the event did

not have a factual or representative purpose or a factual aim. Since the report is partly anonymised, it is not possible to read NV's conclusions regarding whether the violations form the basis for consequences relating to employment law. This case is categorised under the theme: bribery.

Ringbo

Copenhagen provided access to the following documents: the legal report, the report from an internal investigation by the internal Citizen Advisor, one memorandum, a chronological overview of the events, orientation on staff law assessment to the social service committee, and the legal bill. This case description is primarily based on the 139 pages legal report. The legal report incorporates the conclusions from the investigation by the Citizen Advisor. The legal investigation was conducted by NV and cost DKK 1,410,000.00 excl. VAT. All documents received from Copenhagen in relation to this legal investigation, including the e-mail correspondence with Copenhagen, can be found in appendices 8-8G.

The task

In 2016, Copenhagen asked NV to conduct a legal investigation of whether employees in the social services department, including employees at the former residence Ringbo, had engaged in misconduct in the period from 2010 to March 2015. NV investigated allegations put forward via Copenhagen's whistleblowing system. NV was asked to conduct the legal investigation after an internal investigation had already been conducted by Copenhagen's Citizen Advisor. The Citizen Advisor investigated 13 allegations of which NV investigated the allegations that were concluded to be true and further violations identified by the Citizen Advisor. NV investigated the following allegations: insufficient safety at Ringbo, wrong statements regarding risk assessments, workplace assessments without involvement of the Danish Working Environment Authority (WEA), wrong statements regarding police reports, violation of conditions judged by the court, and theft for approximately 300,000 DKK from a resident.

Background

In the spring of 2015, Copenhagen's Citizen Advisor initiated an internal investigation of several allegations put forward by different whistle blowers. Beforehand, the Citizen Advisor had received several reports related to the former residence, Ringbo. Since the management of the social services department had been involved in some of the allegations, the Citizen Advisor was of the opinion that the social services department was legally incapable in investigating the case. Thus, the Citizen Advisor conducted the investigation. The Citizen Advisor did not evaluate whether the investigation created the grounds for making employees accountable for the allegations. Thus, this was the purpose of the legal investigation conducted by NV.

Conclusion

NV concluded that five of the investigated allegations were true and thus criticisable. It was only the allegation regarding theft from a resident that was found to be untrue. However, NV did not find sufficient foundation for Copenhagen to seek official liability in relation to the five criticisable circumstances. Based on the investigation, NV recommended that the legal report was sent to the financial administration who should recommend the finance committee to take note of and act upon NV's assessment with reference to three recommendations: first, an enforcement notice to the social services department to exercise care when securing that provided information is true. Second, an enforcement notice to Heads of Centre and managers of offers of accommodation to include the working environment organisations in the preparation of work place assessments. Third, the centre for adults of Ringbo had to account for compliance with conditions judged by the court. This case is categorised under the themes: insufficient management and forgery of information.

6.3.2. Aarhus

AVA

Aarhus provided access to one memorandum. Aarhus informed that there were no further documents. The case description is therefore based on the 15 pages memorandum. The legal investigation was conducted by Bech-Bruun and cost 90,000 DKK excl. VAT. All documents received from Aarhus in relation to this legal investigation, including the e-mail correspondence with Aarhus, can be found in appendices 9-9B.

The Task

In November 2017, Aarhus asked Bech-Bruun to conduct a legal investigation of two aspects. First, Bech-Bruun had to investigate whether the rules of law and potential internal rules that apply to secondary occupation for the employees in AVA had been violated. Second, Bech-Bruun had to investigate whether the rules of law and potential internal rules that apply to AVA-employees' purchases of work wear had been violated.

Background

Aarhus asked Bech-Bruun to investigate the circumstances, but the reason for the requested investigation is not stated in the memorandum.

Conclusion

Bech-Bruun concluded that the rules of law and the internal rules in Aarhus that apply to secondary occupation and legal capacity had not been violated. However, Bech-Bruun recommended Aarhus to update the internal rules

applying to secondary occupation, to compose instructions on how to address questions of legal incapacity as a result of secondary occupation, and to make sure that existing and new employees are made familiar with these rules and instructions.

Bech-Bruun concluded that the rules applying to purchase of work wear had been violated in very few instances, if it was correct that a few employees not only had used their work wear privately after work but had purchased work wear solely for private use. However, the internal rules and guidelines that applied to purchase of work wear did not present an explicit prohibition against buying work wear for private use. Based on the ambiguous rules and the limited value of the jeans, Bech-Bruun judged that there was no basis for initiating a personnel matter because of the purchases. However, Bech-Bruun recommended Aarhus to revise the internal rules applying to purchase of work wear so they more explicitly describe what is allowed and what the consequences will be in case of violations of the rules.

This case is categorised under the themes: theft and secondary occupation.

CME

Aarhus provided access to the following documents: the legal report, a conclusion memorandum from another related investigation, and one memorandum. The case description is based on the 42 pages report. The legal investigation was conducted by Bech-Bruun and cost 736,142.19 DKK excl. VAT. All documents received from Aarhus in relation to this legal investigation, including the e-mail correspondence with Aarhus, can be found in appendices 10-10D.

The Task

The second legal investigation had to uncover and clarify three issues. First, whether the public procurement directive and/or Aarhus' internal rules and guidelines applying to procurement had been neglected in connection with the procurements from 11 selected consultants in the period of 2008-2016. Second, whether general problems in relation to procurements of consultancy services could be identified and how these potential problems could be handled in the future. Third, whether one of Aarhus' internal rules was legal and appropriate in a legal perspective. This internal rule stated that, if the value of a procurement exceeds DKK 300,000 excl. VAT, Aarhus must obtain several offers.

Background

In the fall of 2017, Aarhus initiated an investigation of the tendering process in CME in connection with procurements of consultancy services from 13 selected consultants. The first legal investigation focused on procurements of consultancy services from two of these 13 consultancy firms. These procurements were selected for an initial investigation because they stood out, partly as a result of their value and partly as a result of CME's own identification of the fact that these procurements had neglected the obligation to put the contracts out to EU tender. In continuation of the first legal investigation, Aarhus asked Bech-Bruun to carry out an examination and evaluation of the procurements from the remaining 11 selected consultants.

Conclusion

It was not possible for Bech-Bruun to make a final conclusion on the randomised control of the contractual relationships with four of the 11 selected consultancy firms in the period 2008-2016. The reason for this was mainly a lack of documentation. However, Bech-Bruun identified four neglects of Aarhus' internal rules applying to the obtainment of several offers when purchasing services to a value of more than 300,000.00 DKK; three potential neglects of the former public tenders act stating that purchases to a value of more than 500,000.00 DKK have to be announced; and one potential neglect of the obligation of the public procurement directive to carry out EU tender when making purchases to a value of more than 1,541,715.00 DKK.

Based on the legal investigation, Bech-Bruun identified three common issues that should give cause to attention and/or modified procedures in the future management of procurements in CME. First, Bech-Bruun noted that the division of PSP-numbers in CME was not true to the official qualifications of what constitutes as one project. Second, a general problem across the investigations of the procurements was the lacking documentation of the sequence of events and the considerations associated with the individual formation of contract. Thus, Bech-Bruun recommended that CME secured a better documentation of the formations of contracts, including documentation of the written agreement, the estimated contract value, and the essentiality of changes in the contracts. Third, Bech-Bruun identified unusual economic and time wise limitations of the controlled contracts. It is commonly agreed that it is not allowed to set the duration and the economic loft of an agreement with an eye to circumvent the public procurement rules. In the event of a need to conclude a contract with an unusual short duration and/or an unusual financial maximisation of the honorarium that is just below a relevant threshold value, it is important to document the existence of an objective and impartial explanation of this limitation of the contract.

This case is categorised under the themes: insufficient management and illegitimate signing and extension of contracts.

CBA

Aarhus provided access to the legal report prepared by the law firm. This case description is therefore based on this document. The legal investigation was conducted by the law firm Poul Schmith and cost 296,000.00 DKK excl. VAT. All documents received from Aarhus in relation to this legal investigation, including the e-mail correspondence with Aarhus, can be found in appendices 11-11B.

The Task

In December 2017, Aarhus asked Poul Schmith to investigate whether 22 employees in CBA had been legally incapable in connection with the employment and/or the wage determination of a number of family members. Furthermore, if legal incapacity was uncovered, Poul Schmith had to assess whether it had concrete influence on the wage determination. Provided that legal incapacity had occurred in connection with employment and/or wage determination, Poul Schmith had to assess if Aarhus should investigate a sanction related to employment law.

Background

The investigation of the extent and nature of the family relations was originally initiated by the former CEO in one of the departments in Aarhus. All the managers were asked to inform whether they had family members employed in the organisation. Subsequently, the investigation was extended to include all employees, including those without managerial responsibility.

Conclusion

Poul Schmith concluded that two of the 22 cases of family relations were problematic. In the first case, a representative from a trade organisation negotiated pay for a family member. Poul Schmith investigated whether it resulted in a higher pay to the family member in question and this was found not to be the case. Thus, it was concluded that the mistake was not essential. In the second problematic case, a manager participated in both the employment of a family member in several seasonal jobs and in the pay determination. Poul Schmith recommended Aarhus to take a closer look at this case and to consider imposing sanctions on the manager in question. Poul Schmith estimated that such a sanction should be of a mild character.

This case is categorised under the theme: nepotism.

6.3.3. Odense

BMF

Odense provided access to the law firm's offer for the legal investigation with the estimated price and the 42 pages long report prepared by the law firm. This case description is based on both these documents. The legal investigation was conducted by Gorrissen Federspiel Kierkegaard (GFK) who in the offer estimated that the price for the investigation would be between 415,000.00-450,000.00 DKK excl. VAT. All documents received from Odense in relation to this legal investigation, including the e-mail correspondence with Odense, can be found in appendices 12-12B.

The task

In May 2008, Odense and Vejle asked GFK to conduct a legal investigation of the circumstances that led to an undesirable development in I/S Infra Service's finances, whoever was responsible for this development, and whether it was possible to claim compensation.

Background

I/S Infra Service was an intermunicipal partnership between Odense and Vejle effective from 1 January 2005. Since its foundation, the company had operational deficits, although these were not discovered until 2008 in connection with the submission of the financial results from 2007. In the spring of 2008, Odense and Vejle decided to end the partnership effective from 1 July 2008 entailing that the respective municipalities undertook the activities handled by the company. In January and February 2008, Odense and Vejle decided to conduct an external legal investigation of the financial development in I/S Infra Service. Odense and Vejle jointly appointed a task force responsible for the external legal investigation and winding up of I/S Infra Service. In March 2008, the task force asked GFK to conduct a preliminary investigation on the basis of circumstances already criticised by PricewaterhouseCooper (PwC) and "Kommunernes Revision" (KR). As a result of this preliminary investigation, GFK was asked to conduct the main legal investigation.

Conclusion

GFK generally concluded that the poor financial management implied a misrepresentation of the financial situation in the first two years of the operation of I/S Infra Service. However, this did not cause the operational deficits. The productivity could have been improved through a reduction of downtime, increased flexibility, reduction of absence due to sickness and a more effective utilisation of machinery. This only succeeded to a limited extent. However, GFK concluded that it could not involve accountability for any of the involved. However, GFK uncovered that all the prepared documents, including the first draft to the partnership agreement, business plan,

and the implementation plan implied that the company could function as a private company with the purpose of making a profit. This resulted in several violations regarding the directors' remuneration, executive's salary, the cash credit, a failure to prepare and submit financial statements to the controlling authority, etc. However, none of these issues formed the basis for raising a civil law claim from any of the involved. Furthermore, the legal report describes that, in the early summer of 2007, the former CEO presented an untrue and unfair annual report to the board of directors and moreover, the former CEO succeeded in depriving the revision of several circumstances. This was uncovered on 2 November 2007 by an investigation initiated by Odense. Afterwards, the former CEO was dismissed on 9 November 2007. GFK concluded that the former CEO deliberately made several changes to the annual report for 2006 and that these changes involved an improvement of the financial result. This created a misrepresentation of the financial situation. Thus, GFK concluded that there was a considerable risk that §§ 296 and 302 of the criminal code were violated.

This case is categorised under the theme: insufficient management and forgery of information.

BKF

Odense provided access to the following documents: the legal report, two memoranda and the legal bill. This case description is primarily based on the 51 pages legal report. The legal investigation was conducted by Bech-Bruun and cost 1,044,668.14 DKK excl. VAT. All documents received from Odense in relation to this legal investigation, including the e-mail correspondence with Odense, can be found in appendices 13-13D.

The task

In 2017, Odense asked Bech-Bruun to investigate problematic circumstances in relation to building permits. Bech-Bruun had to clarify any irregularities in the processing of construction projects in Odense during the period of 2007-2017. Odense asked Bech-Bruun to 1) investigate if any other employees at the office for construction projects participated in the illegal activities of an accused PO and whether this created the foundation for criticism of employees or managers, 2) systematically review the cases involving suspicions of official misconduct, and 3) investigate whether there could be initiated additional organisational initiatives to avoid similar situations in the future.

Background

In April 2017, citizens in Odense complained to the regional state administration regarding the proceedings of a building permit on their neighbour's ground. The complainants stated, among others, that Odense had decided on the building permit before the deadline of consultation had expired. After an internal investigation, it led to the

suspicion that the accused PO who worked at the office for construction projects had prepared the building permit application on the property.

In August 2017, Odense decided to expel the accused PO. The accused PO was suspected to have had a double role in several construction projects. The municipality suspected that the accused PO had given advice and assistance to citizens who wanted to apply for a building permit, after which he himself - or two colleagues - had processed the application and granted the requested permit. In August 2017, Odense also dismissed the two colleagues.

Conclusion

Bech-Bruun concluded that the accused PO's behaviour involved a breach of several administrative rules, including rules of legal capacity, disclosure of information, impartial administration, etc. The legal investigation clarified that the accused PO from at least 2008 to 2017 participated in the preparation of applications in at least 85 cases. Hence, he made drawings and advised citizens on the procedure of applying for a building permit and received payment for this. He and his two colleagues handled the applications in question and granted building permits. The two colleagues were familiar with the accused PO's double role, and they processed some of the applications prepared by him faster than regular applications. Their actions also entailed a violation of rules relating to administration. Thus, their actions might have been a criminal neglect of duty or within the scope of the rules of the criminal code relating to complicity, cf. § 23 of the criminal code.

Bech-Bruun recommended Odense to focus on good administrative practice, corruption, rules on accepting gifts with regular intervals and in the right forums. Furthermore, Bech-Bruun recommended that Odense established guidelines regarding where and to whom employees could report information on illegalities, serious irregularities and other alarming conditions in Odense, or clarified existing guidelines for this.

This case is categorised under the theme: secondary occupation.

BUF

Odense provided access to the following documents: the legal report, one memorandum, description of methodology, request from the Ombudsman and the legal bill. The case description is primarily based on the 26 pages legal report. The legal report incorporates the main points from the request of the Ombudsman. The legal investigation was conducted by BDO and Kromann Reumert and cost 652,392.85 DKK excl. VAT. All documents

received from Odense in relation to this legal investigation, including the e-mail correspondence with Odense, can be found in appendix 14-14E.

The task

In the summer of 2015, Odense requested BDO and Kromann Reumert to investigate the exact sequence of events leading to the closure of preventive cases in the Children and Adolescence administration. The request concerned whether illegal practice happened during the summer of 2015 when citizens were told that previously granted arrangements were stopped based solely on economic reasoning and not based on a professional assessment for the individual child and family.

Background

The legal investigation was initiated after an inquiry from the Ombudsman, based on a request from the union for Danish social workers. The request was a reaction to an e-mail sent in June 2015 by one manager from the Children and Adolescence administration to the teams working in the social area with children, adolescence and disabled people. In the e-mail, the manager informed the teams to identify five cases from each team that could be closed since this would limit the budget overruns in the administration.

Conclusion

BDO and Kromann Reumert concluded that it was only during the summer of 2015 that the quality of the case processing changed, for which criticism was raised. The handling of the 45 cases in connection with the closure of 89 preventive cases were considerable different from previously. BDO and Kromann Reumert concluded that no significant procedural errors or other violations of administrative law or social law regulation were found when reviewing the 45 specific cases, hence there were no grounds for considering service sanctions against the employees processing the cases. In relation to the additional employees in the administration, the legal investigation concluded that managers might have neglected their duties.

This case is categorised under the theme: insufficient management.

Arena Fyn

Odense provided access to the following documents: legal investigation and the legal bill. The case description is based on the 49 pages legal report. The legal investigation was conducted by Kromann Reumert and cost 655,132.85 DKK excl. VAT. All documents received from Odense in relation to this legal investigation, including the e-mail correspondence with Odense, can be found in appendices 15-15C.

The Task

In February 2017, Odense asked Kromann Reumert to clarify the course of actions that led to an agreement about an allonge in October 2013 and to evaluate whether rules relating to administration and local authority had been violated during this course. The allonge concerned an extension of the payment for ground rent for an agreement about right of use to *Arena Fyn*. In the legal investigation, Kromann Reumert investigated the following persons and departments: the former Mayor, the financial committee, the former Municipal Chief Executive, the current Municipal Chief Executive, the legal department, and other relevant employees, including the former Head of Politics and Strategy.

Background

Odense's request for the legal investigation was a result of the current Municipal Chief Executive's decision to undergo a review of all agreements on the area of growth and events in Odense in the fall of 2016.

Conclusion

Kromann Reumert concluded that the former Municipal Chief Executive and former Head of Politics and Strategy behaved in a critical manner. By signing the allonge at the specific time, the former Municipal Chief Executive demonstrated a criticisable behaviour. However, since he resigned before the legal investigation, it was not relevant to consider whether the aspects should be sanctioned in relation to employment law. Furthermore, Kromann Reumert concluded that the former Head of Politics and Strategy contributed to the signing of the allonge at a time where the legal department had not assessed the legality of the allonge. This behaviour was found to be criticisable since he contributed to the fact that the municipality undertook financial obligations at a time where the legal basis and the economic justification were not sufficiently investigated. Since the former Head of Politics and Strategy was employed in another administration in Odense at the time of the legal investigation, Kromann Reumert recommended Odense to inform the former Head of Politics and Strategy of Kromann Reumert's assessment and emphasise the importance of not entering into commitments based on insufficient grounds.

This case is categorised under the theme: insufficient management and illegitimate signing and extension of contracts.

6.3.4. Høje-Taastrup

Taastrup Theatre

Høje-Taastrup provided access to the calculation of the legal bill and the 61 pages long report prepared by the law firm. This case description is based on both these documents. The legal investigation was conducted by KL and cost DKK 533,005.00 DKK excl. VAT. All documents received from Høje-Taastrup in relation to this legal investigation, including the e-mail correspondence with Høje-Taastrup, can be found in appendices 16-16B.

The task

In May 2012, Høje-Taastrup asked KL to conduct a legal investigation of expenses paid by Taastrup Theatre. KL investigated whether local authority law, taxation law, and criminal rules had been violated. Furthermore, KL investigated whether there was a basis for initiating sanctions towards the former Administrative Director and other employees at the theatre, and they investigated whether there was a basis for filing a liability suit against the former Theatre Manager.

Background

In connection with the audit of the financial records for 2011, Høje-Taastrup's auditing firm, KPMG, provoked criticism of multiple financial transactions. KPMG informed Høje-Taastrup that they could not issue an unqualified opinion of the financial statements. After this, Høje-Taastrup asked KPMG to conduct a further investigation of these transactions. KPMG presented their results of the investigation on 24 May 2012. As a result of this, Høje-Taastrup contacted KL on 29 May 2012 requesting legal assistance.

The legal report prepared by KL stated the conclusions from the report by KPMG. In their examination of the expenses paid by the theatre, KPMG determined the following:

- Neglect of several provisions and regulations applying to accounting in Høje-Taastrup
- Lacking or faulty documentation of paid expenses
- Absence of purchased assets
- Confusion of private and public funds
- Unusual financial transactions
- Absence of due financial considerations in the management of public funds

The purpose of the legal investigation conducted by KL was to further uncover the aspects above.

Conclusion

KL concluded that the former Theatre Manager spent public funds for private consumption and that he was the sole approver of the expenses paid by him with the credit card issued by Høje-Taastrup. Thus, the administration and control of the theatre were not in line with the regulations of the municipality relating to cash register and balance sheets. If the former Theatre Manager had still been employed as the manager of Taastrup Theatre, he would have violated the conditions of employment. Thus, KL recommended Høje-Taastrup to make a claim of 205,236.20 DKK towards the former Theatre Manager and to also consider reporting him to the police depending on his stand on the refund requirement.

This case is categorised under the theme: insufficient management and theft.

6.3.5. Incomplete case

Of the 12 cases where access to documents was obtained, the case from Norddjurs is defined as incomplete. This case will shortly be described. All documents received from Norddjurs in relation to this case, including the e-mail correspondence with Norddjurs, can be found in appendices 17-17B.

In 2018, Norddjurs asked Bech-Bruun to conduct a legal investigation of potential irregular financial transactions. In connection with this case, Norddjurs provided access to the legal bill stating that the legal investigation cost 206,125.00 DKK excl. VAT. Access to the legal report was not provided since Norddjurs filed a police report on the matter in July 2018. This means that the police are in possession of the legal report and in order not to interfere with the further criminal investigation, the legal report is exempted from the right of access, cf. § 33, subsection 1 of the Access to Public Administration Files Act.

6.3.6. Application rejected

The following section will present the municipalities that rejected the application to access to documents and the provided reasons for the rejections.

The following 13 municipalities rejected the application: Aalborg, Roskilde, Næstved, Svendborg, Haderslev, Hvidovre, Tønder, Syddjurs, Greve, Glostrup, Lejre, Struer and Randers. All e-mails received from these municipalities can be found in appendices 18-18L.

When reviewing the rejections (Appendices 18-18L), an array of different reasons constitutes the bases for the dismissals. The different reasons can be categorised into four categories, which are shown in Table 13. The column

to the right shows the paragraphs from the Access to Public Administration Files Act to which the municipalities referred in their rejection.

Municipality	No registration or list exists	Disproportionate use of resources	Not able to be retrieved with few or simple commands	Personnel matter/criminal prosecution	Section
Aalborg	x				-
Glostrup	x			x	§21
Greve		x			§ 92 [2], no. 1
Haderslev				x	Passed to criminal prosecution
Hvidovre		x	x		§ 11 in bill no. 144 § 9 [2], no. 1
Lejre	x	x			§ 9 [2], no. 1
Næstved	x				-
Roskilde				x	§ 19 § 21
Svendborg	x	x	x		-
Syddjurs	x				-
Tønder				x	§ 33 [1] § 14
Struer	x				-
Randers			x		-

Table 13: Overview of rejections

7. Analysis

The structure of the analysis will follow the seven hypotheses deduced in the theoretical foundation. Two general analytic strategies are applied in the analysis, cf. 5.2. The general analytic strategy. The analyses of H1 and H2 will use the categorisation of the municipalities into small, medium and large categories as a point of departure. As a result, the cases of official misconduct from Copenhagen, Aarhus and Odense will be analysed jointly since they are categorised as large municipalities. Similarly, the cases of official misconduct from Høje-Taastrup and Norddjurs will be analysed jointly since they are categorised as medium municipalities. The analyses of H3-H7 will use the individual cases of official misconduct as the point of departure. Thus, each case of official misconduct will be analysed separately. Common to all the analyses is that the within-case analyses are followed by the across-case analyses in which the conclusions from the within-case analyses are analysed in relation to the 80 municipalities that have not had legal investigations of official misconduct in the period examined and the 13

municipalities that rejected the application to access to documents. Another common feature is that the analyses of the hypotheses conclude with a table that summarises the falsification of the hypotheses in the different cases.

Before analysing the seven hypotheses of this thesis, it is relevant to firstly illustrate the correlation between the size of the municipality and official misconduct from which the hypotheses emanate, cf. 4.6. Theoretical Model.

The correlation is illustrated by setting the independent variable as the size of the municipality measured by the number of public employees (Appx. 19). The dependent variable is the expenses paid by the municipalities in connection with legal investigations of official misconduct. If there is a positive correlation between the size of the municipality and official misconduct, it is assumed that the costs will increase in line with the size of the municipalities since there will be more and/or more complex instances of official misconduct that need to be investigated. As mentioned in chapter 5, Methodology, five municipalities have had legal investigations of official misconduct in the period examined. 80 municipalities have not had legal investigations of official misconduct in the period examined and 13 municipalities rejected the application to access to documents. The latter are excluded from the illustration below because it is unknown whether they have had legal investigations of official misconduct. Thus, the illustration consists of the municipalities that have or have not had legal investigations of official misconduct during the period examined. The value given to the municipalities that have not had legal investigations of official misconduct is zero since they have had no expenses in connection with such investigations.

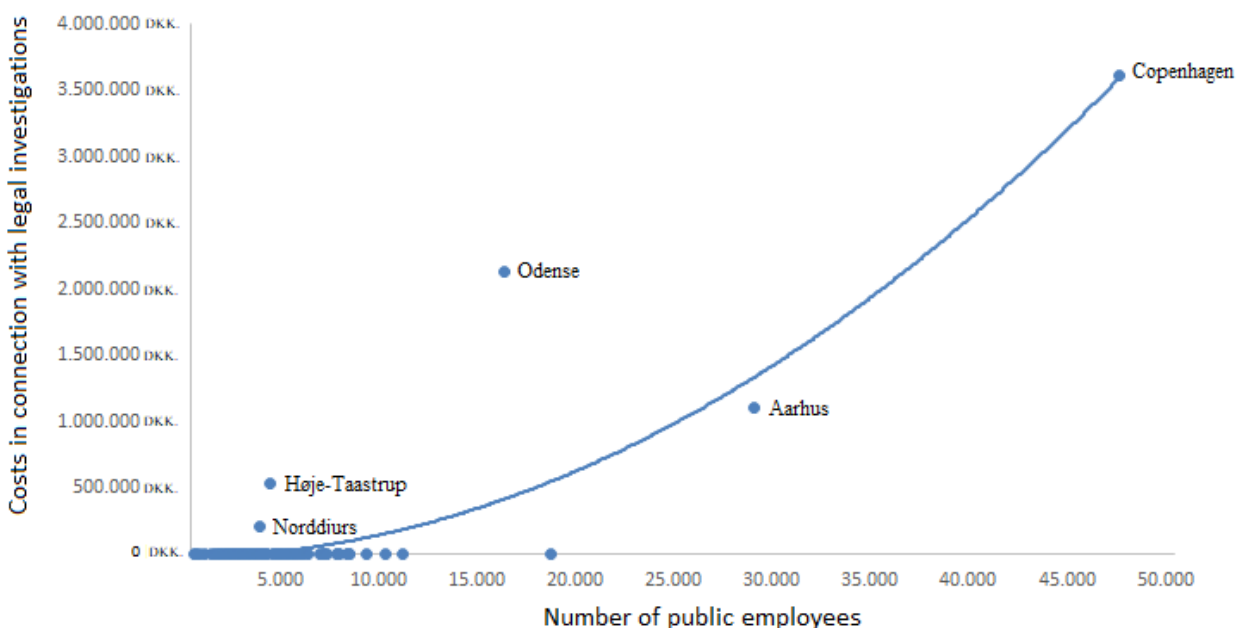


Figure 114: Cost in connection with legal investigations of official misconduct

It is important to emphasize that the above is an illustration of the correlation between the size of the municipalities and official misconduct. The dataset consists of only five datapoints higher than zero. This means that the dataset has a low level of variance why the illustration is not used for statistical computations (Bryman & Bell, 2015:360). However, the illustration does indicate a positive correlation between the size of the municipality and official misconduct. This thesis will seek to understand this correlation by analysing the seven hypotheses.

7.1. Hypothesis 1

This section will analyse H1:

H1: The size of the municipality positively correlates with the distance between the public officials and citizens.

The analysis of H1 will be based on PCT and principal-agent (PA) theory. In accordance with the general analytic strategy, the cases of official misconduct in the large municipalities, Copenhagen, Aarhus, and Odense, will be analysed first. Second, the cases of official misconduct in the medium-sized municipalities, Høje-Taastrup and Norddjurs, will be analysed. Third, the 80 municipalities that have not had legal investigations of official misconduct in the period examined and the 13 municipalities that rejected the application to access to documents will be analysed.

7.1.1. The large municipalities

From Figure 14 on the previous page, it is seen that Copenhagen, Aarhus and Odense had most expenses in connection with legal investigations of official misconduct in the period examined. These three municipalities are among the top four of the largest municipalities in Denmark measured both by the number of public employees and citizens (Appx. 19). Copenhagen is the largest municipality followed by Aarhus, and Odense is the fourth largest municipality. Table 14 shows the number of public employees and citizens in these three municipalities.

	Number of public employees	Number of citizens
Copenhagen	47,177	623,404
Aarhus	28,673	345,332
Odense	15,919	204,182

Table 14: Number of public employees and citizens in Copenhagen, Aarhus, Odense

Table 14 shows that the three municipalities are large collective units consisting of many individuals. As described in chapter 4, Theoretical foundation, every individual has different utility functions (Buchanan & Tullock, 1962:34) and thus, there are many different interests present in Copenhagen, Aarhus and Odense. Since the

decision-making rule when electing local council is simple majority voting, all the individuals with their different utility functions can participate in this group choice, assuming that they qualify for the electoral register, and thus affect the social outcome. Thus, it is more costly to participate in such collective decision-making in Copenhagen because it requires the assent of more individuals in Copenhagen to reach simple majority compared to a smaller collective unit with less individuals (ibid.:112). This increases the rational ignorance of the individuals in Copenhagen since the costs of educating themselves on the issue of who to vote for exceed the potential benefit of voting for a candidate that may not get elected (Downs, 1957). As a result, it is more likely that one individual in, e.g., Copenhagen will be affected by decisions that are contrary to his own desires compared to a smaller collective unit, like Skanderborg. This illustrates the increasing uncertainty regarding the outcome of social choice in large collective units in which it is difficult to consider the actual costs and benefits of a decision (Buchanan & Tullock, 1962:38). Furthermore, the choosers and those affected by the choice is not the same individual (ibid.:31). These two aspects, the difficulty of estimating costs and the distance between the chooser and those affected, result in a smaller sense of decision-making responsibility in the chooser (ibid.:38).

The fact that there are 10 instances of official misconduct in the large municipalities indicates a relatively small sense of decision-making responsibility in the accused POs. It is not in the public interest that the POs abuse their position to pursue private gain. This is strengthened by the fact that the municipalities spend public funds to investigate the potential instances of official misconduct. Thus, the accused POs' pursuit of private gain resulted in behaviour that is contrary to the interest of the public. This indicates an increased distance between the POs and citizens because the POs deviated from the status quo by committing official misconduct (Buchanan, 1975:77). The distance between what Buchanan (1975) called status quo and the set of renegotiation expectations manifests itself in the deviation from the set of rules and institutions that exist at any point in time (ibid.:77). The set of rules and institutions constituting the status quo allows individuals to form expectations about courses of events (ibid.). The rules and institutions surrounding POs are, for example, the administrative and local laws, and the handbook describing the code of conduct in the public sector (Moderniseringsstyrelsen, 2017). These laws and moral principles have the purpose of securing a fair administration in the interest of the public (ibid.). Thus, this status quo allows the citizens to expect that POs will act in the interest of the public. However, when POs engage in official misconduct and thus deviate from these rules and institutions, the citizens can no longer to the same degree expect that the POs' future actions will be in accordance with the public interest. When the citizens cannot expect that the POs will act in the interest of the public, the distance that already exists between the POs and the citizens will increase.

The accused POs' deviations from the constitutional status quo may also arise as a result of the problem of many hands, as described by Thompson (1980). It can be difficult to place responsibility in a large municipality where many different POs contribute to decisions in many different ways (Thompson, 1980). Thus, it becomes more difficult for the citizens to hold the POs accountable for their actions. This increases the distance between the POs and the citizens because it makes it more difficult for the citizens to control whether the POs behave in the interest of the public. This gives rise to the agency problem, as proposed by Eisenhardt (1989). Two circumstances must be apparent for this problem to arise.

First, the POs (agents) and the citizens (principals) have different utility functions that they will seek to maximise and thus, they will have different desires and goals (Eisenhardt, 1989). An example of the self-interested utility-maximiser can be found in the CBY case from Copenhagen regarding secondary occupation and bribery, cf. 6.3. Case descriptions. In this case, a Unit Manager had secondary occupation where he received a discount from his real estate agent as a payment for his work. When put simple, the Unit Manager was confronted with two choices, 1) either to receive a monetary discount as payment for a task that he did as part of his secondary occupation or 2) to not receive a monetary discount and do the task as a favour. Since the Unit Manager accepted the discount, he chose "more" rather than "less", which indicates that he is a rational utility-maximiser (Buchanan & Tullock, 1962:18). However, as concluded by Bech-Bruun, this behaviour was a breach of his duty and thus a deviation from the rules and institutions that constituted the constitutional status quo at the time.

Second, when the size of the municipality increases by the number of public employees, the structures become more complex and thus, it becomes more difficult both for the citizens and the superiors (principals) to control the POs' behaviour (agents) (Eisenhardt, 1989). It is more difficult to verify the actual behaviour of POs in Copenhagen that employs 47,177 people compared to, for example, Læsø that employs 196 people. This is exemplified in the CBA case from Aarhus regarding nepotism. Poul Schmith writes in the legal report:

"The foundation of the investigation has been affected by the fact that the hiring processes in many cases have not been documented electronically or in writing. This implies that our assessments are subject to some uncertainty." (Appx. 11:3).

The quote demonstrates that Aarhus did not have an information system that could verify the agents' behaviour and thus curb the agents' opportunism in relation to the hiring processes in the organisation (Eisenhardt, 1989). Without such a system, it becomes difficult to verify the behaviour of the POs in question when Aarhus is a big organisation employing 28,673 people, cf. Table 14. The difficulty of verifying behaviour is also seen in the BKF case from Odense and in the Ringbo case from Copenhagen.

In Odense, a PO from the office for building projects had secondary occupation where he prepared and approved building applications (Appx. 13:3). Bech-Bruun describes in the legal report that the management and the Head of Office did not know about the PO's behaviour and that this was partly a result of a less visible management. When the management is less visible, it is more likely that the PO's activities will deviate from the principal's desires (Tullock, 1962:143).

In the Ringbo case from Copenhagen, NV described that the Citizen Advisor could not with certainty determine whether seven of the 13 reported issues were correct. Because the Citizen Advisor could not verify the behaviour associated with the seven issues, they were excluded from the legal investigation conducted by NV who stated that the necessary foundation to consider if neglect of duty was committed did not exist. This means that it is unclear whether official misconduct happened in the seven issues because it was too difficult to verify the behaviour associated with these.

The difficulty of verifying the POs' behaviour in the cases from Copenhagen, Aarhus and Odense makes it difficult to curb their opportunism. This creates the opportunity for the POs to follow their self-interest, which may lead to behaviour that is contrary to the public interest and thus increases the costs imposed on the public. This increases the distance between the POs and citizens. This relation between the distance and the self-interested behaviour of the POs will be further elaborated in the analysis of H2.

Based on the above analysis, it is concluded that the large size of Copenhagen, Aarhus and Odense increases the distance between the public officials and citizens in two ways. First, it is more difficult to estimate costs and benefits of decisions in large collective units resulting in a smaller sense of decision-making responsibility. This increases the distance between the public officials and the citizens. Second, it is more difficult to control and verify the public officials' behaviour because of the problem of many hands. This also increases the distance between the public officials and citizens. Thus, the three cases of Copenhagen, Aarhus and Odense cannot falsify H1.

7.1.2. Medium municipalities

The cases of Høje-Taastrup and Norddjurs will be analysed jointly since they are both medium-sized municipalities (Appx. 19). However, it is important to repeat here that Norddjurs is an incomplete case since it was not possible to gain access to the legal report that was prepared after the legal investigation of irregular financial transactions that was discovered in 2017 and 2018, cf. 6.3. Case descriptions. As a result, the conclusion of whether the case of Norddjurs can falsify H1 will solely be based on the size of the municipality and the fact that one case of official misconduct has occurred. The conclusion of whether the case of Høje-Taastrup can falsify H1 will also be based

on these two factors but will furthermore include data from the legal report. Thus, the analysis of Høje-Taastrup will constitute the majority of this section where Norddjurs will support the analysis.

Table 15 shows the number of public employees and citizens in Høje-Taastrup and Norddjurs.

	Number of public employees	Number of citizens
Høje-Taastrup	4,288	50,514
Norddjurs	3,676	38,180

Table 15: Number of public employees and citizens in Høje-Taastrup and Norddjurs

As described in the case descriptions, the case of Høje-Taastrup concerns the former Theatre Manager who spent 205,236.20 DKK of public funds for private consumption. When the former Theatre Manager was initially employed at Taastrup Theatre in 1987, the theatre employed 1.5 people (Appx. 16:28). However, the theatre as an organisation has grown since 1987 and now has a “*big personnel*” (Teateravisen, 2012). This indicates that the organisation has become more complex. This becomes a critical point in the following analysis. One of the allegations against the former Theatre Manager was that he illegitimately bought DSB multitrip tickets amounting to 3,656.00 DKK. In defence of this allegation, the former Theatre Manager stated that since the theatre employed only 1.5 employees at the time of his start date at the theatre, “*he handled all functions by himself. It was presumably a reminiscence from this that he bought the multitrip tickets himself.*” (Appx. 16:28). Furthermore, the former Theatre Manager was the sole approver of expenses related to clothes, shoes, wine, etc. that was purchased by him. This indicates that, at the time of the official misconduct, the former Theatre Manager handled some of the same tasks as he did when the theatre consisted of 2.5 employees. However, as the theatre grows and becomes more complex, structural changes must follow in order to secure appropriate internal coordination (Tullock, 1965:178). Thus, the fact that KL concluded that Høje-Taastrup could reclaim 205,236.20 DKK from the former Theatre Manager indicates that the inadequate change in the organisational structure was intentional since it made it possible for the former Theatre Manager to maximise his utility by spending public funds on private consumption. This derivation is possible because a core presumption in PCT is that it is possible to derive intentions from outcomes (Boettke, 2007). It is not certain whether the former Theatre Manager engaged in official misconduct before 2011. However, the legal investigation of the former Theatre Manager was initiated because the theatre’s accountancy firm informed Høje-Taastrup that they could not issue an unqualified opinion of the financial statements in connection with the audit of the financial records for 2011. Thus, it can be assumed that if the former Theatre Manager had made illegitimate financial transactions before 2011, the theatre’s accountancy firm would have discovered this. This indicates that the former Theatre Manager engaged in official misconduct when the theatre had grown into a more complex organisation than in 1987 and thus making it more difficult for

the citizens and superiors to verify his behaviour. When looking across the cases, this relationship can also be observed. The fact that Høje-Taastrup and Norddjurs being medium-sized municipalities each have had one legal investigation of official misconduct indicate that the distance between the public officials and citizens increases in line with the size of the municipalities. It is more difficult to control and verify the behaviour of public officials in Høje-Taastrup and Norddjurs than it is in a small municipality like Kerteminde.

The above analysis indicates that when the size of the municipality increases, it becomes more difficult to control and verify the behaviour of the public officials, which increases the distance between the citizens and public officials. Thus, the cases of Høje-Taastrup and Norddjurs cannot falsify H1.

7.1.3. Cross-case analysis

H1 has now been analysed in relation to each case of official misconduct, which is the first level of the data set as described in 5.2. The general analytic strategy. The hypothesis will now be analysed on the second level of the data set consisting of the 98 municipalities. The purpose is to analyse how this level contributes to the conclusions from the within-case analyses. First, the analysis focuses on both the 80 municipalities that have not had legal investigations and the five municipalities that have had legal investigations of official misconduct in the period examined. Second, the analysis will focus on the 13 municipalities that rejected the application to access to documents.

The empirical foundation of the analysis of the 80 municipalities that have not had legal investigations of official misconduct in the period examined consists of two variables: first, the fact that they have not had legal investigations and second, the size of the municipalities. As was illustrated in Figure 14, the costs associated with legal investigations of official misconduct increase in line with the size of the municipalities. Based on the conclusions from the within-case analyses, this indicates that there is a smaller distance between public officials and citizens in the small and medium-sized municipalities compared to the large municipalities. This can explain why there are no legal investigations of official misconduct in the small municipalities and only two legal investigations in the medium-sized municipalities in the period examined.

In relation to the seven municipalities that are characterised as large municipalities according to DST, three of these have had legal investigations of official misconduct (Copenhagen, Aarhus and Odense), three have not had such investigations (Esbjerg, Vejle and Frederiksberg), and Aalborg rejected the application to access to documents (Appx.18). It is argued that it can be expected that in the future, there will be more legal investigations of official misconduct in the large municipalities that have and have not had legal investigations of official

misconduct. This is supported by the fact that there have been four legal investigations of official misconduct in Odense for which the period examined is a 10-year period. However, in Copenhagen and Aarhus where the period examined is five years, there have been three legal investigations of official misconduct. The examined time periods are different because of the feedback received in the process of applying for access to documents. We were informed that a 10-year period was too broad and that this would result in a rejection of the application because it demanded a disproportionate use of recourses to meet the application, cf. 5.1.1. Data collection method. Thus, this indicates that it is a question of time before official misconduct will occur in Esbjerg, Vejle and Frederiksberg since these are large municipalities where it is difficult to curb the public officials' opportunism. Since it is assumed that they are rational utility-maximisers, they will seek to increase their utility if they are not constrained by legal and moral institutions (Buchanan & Tullock, 1962:27).

The above analysis shows support for the conclusions from the within-case analyses and thus, H1 is not falsified in this relation.

In relation to the 13 municipalities that rejected the application to access to documents, it is not possible to analyse whether the size of these municipalities positively correlates with the distance between the public officials and citizens. The data from these municipalities does not provide information about official misconduct and thus, they cannot contribute to the conclusions from the within-case analyses.

Based on the above, it is concluded that the size of the municipality positively correlates with the distance between public officials and citizens. As the size of the municipality increases, it becomes more difficult to estimate costs and benefits of a decision, which results in a lower sense of decision-making responsibility. Furthermore, it becomes more difficult to control and verify the public officials' behaviour as the municipalities increase in size since this entails more complex structures. These two aspects lead to more instances of official misconduct in the large municipalities compared to the small and medium-sized municipalities, which illustrates an increasing distance between the public officials and citizens. Table 16 on the next page summarises the conclusions from the above analysis. The hypothesis was falsified in all cases except in the 13 municipalities that rejected the application to access to documents since this is characterised as a non-finding in relation to H1. Thus, it is concluded that the hypothesis is strong. As a result, when aggregating the individual cases, H1 is not falsified, which increases the generalisability of the hypothesis.

Municipality	Case	H1
Copenhagen	CBY	Not falsified (NF)
	Arena CPHX	
	Ringbo	
Aarhus	AVA	NF
	CME	
	CBA	
Odense	BMF	NF
	BKF	NF
	BUF	
	Arena Fyn	
Høje-Taastrup	Taastrup Theatre	NF
Incomplete case	Norddjurs	NF
No instances of official misconduct	Large municipalities (3)	NF
	Medium municipalities (55)	
	Small municipalities (22)	
Municipalities rejecting the application	13 municipalities	Non-finding (-)

Table 16: Summary of H1 conclusions

7.2. Hypothesis 2

This section will analyse H2:

H2: The distance between public officials and citizens positively correlates with the self-serving behaviour of the public officials.

As described in the theoretical foundation, H2 will be analysed through the application of PCT and PA theory. In the analysis of H1, PA theory is used to analyse how the size of the municipalities positively correlates with the distance between the POs and citizens. Hence, the theory explains that as the municipality increases, it becomes more difficult to verify the POs' behaviour, which increases the distance. In continuation of H1, PA theory will be used to analyse how the distance creates an opportunity for the agent to act opportunistically, hence leading to self-serving behaviour. In accordance with the general analytic strategy, the cases of official misconduct in the large municipalities, Copenhagen, Aarhus, and Odense, will be analysed first. Second, the cases of official misconduct in the medium-sized municipalities, Høje-Taastrup and Norddjurs, will be analysed. Third, the 80 municipalities that have not had legal investigations of official misconduct in the period examined and the 13 municipalities that rejected the application to access to documents will be analysed.

7.2.1. Large municipalities

As the collective unit increases in size and hence becomes more complex, it becomes more difficult to constrain the pursuit of private gain and align it with the objectives of the group (Buchanan & Tullock, 1962:112). This is supported by Bergh et al. (2017) arguing that in municipalities with more local council seats, there is more corruption and a possible interpretation hereof is that there is a weaker incentive for monitoring the POs (Bergh et al., 2017). It can be reasoned that this is due to the fact that the citizen (principal) is rationally ignorant of the PO's (agent) behaviour, due to the fact that the cost of educating oneself on an issue exceeds the potential benefit that the knowledge brings (Downs, 1957). In Copenhagen, Aarhus and Odense there has been 10 instances of official misconduct during the period examined. The fact that there have been three instances of official misconduct in both Copenhagen and Aarhus, and four in Odense compared to small municipalities with no instances of official misconduct indicates that when the distance increases, the POs are more likely to follow their self-interest. Hence, when the distance between the agent and the principal increases, the agent is more likely to pursue his self-interest (Bergh et al., 2017). As also shown in the analysis of H1, this creates the foundation for an agency problem due to the fact that the POs' goals and desires conflict with the principal's, and the agent will follow his self-interest if not restrained (Eisenhardt, 1989).

As mentioned in the analysis of H1, with Copenhagen being the largest municipality, this increases the distance between the POs and citizens. Hence, it can be argued that as the size of the municipality increases, it becomes more costly or impossible for the citizen to monitor the behaviour of the agent. A reasonable explanation is that in large bureaucracies, information might disappear and hence, it becomes more difficult to clearly identify responsibility (Thompson, 1980). In Copenhagen, this is illustrated in the process of applying for access to documents. Copenhagen informed that it was not possible to get access to documents because the internal system is not built in such a way where cases of official misconduct are registered under official misconduct (Appx. 5). Instead, they are registered under administrative cases. Copenhagen has 20,000–30,000 administrative cases each year (Appx. 5), hence the right of access to documents would be rejected because of the disproportionate use of time necessary to meet the application, cf. Legal aspects of applying for access to documents. When it is not possible to get access to documents describing the accused POs' behaviour, it can be reasoned that it is difficult for the citizen to monitor the agent's behaviour. It can be argued that as the municipality increases, information about behaviour becomes more difficult to obtain, which means that it is challenging for the citizens to monitor the PO's behaviour (Eisenhardt, 1989). This challenges the transparency, which is one of the reasons why Denmark for many years have had a low score of corruption (Transparency International, 2018). Thus, the citizens or the superiors do not have information to verify the behaviour of the PO, which may lead to the agent acting in self-interest (Eisenhardt, 1989). This may lead to increased self-serving behaviour. The self-serving behaviour is

illustrated in the three cases of official misconduct in Copenhagen, cf. 6.3. Case descriptions. This is also supported by the fact that in the group of large municipalities, there have been 10 instances of official misconduct whereas there in the group of medium and small municipalities have been 2 cases. The self-serving behaviour is analysed below.

The self-serving behaviour is illustrated in relation to the CBY case in Copenhagen where the Unit Manager in several circumstances violated the rules applying to acceptance of gifts or other benefits:

“... in 2015 [AA] received a promise from a real estate agent about an advantage (a low real estate fee) in relation to the real estate agent asking him to follow up on a concrete case in the administration. We [the lawyers] have determined that AA carried out the desired follow-up, as he subsequently enters into a listing agreement about sale of his private house with the real estate agent in question, in which the promised low fee was included.” (Appx. 6:7).

Therefore, as mentioned in the analysis of H1, when choosing the discount in relation to the sale of his private house, it can be argued that this increased the Unit Manager’s utility (Buchanan & Tullock, 1962:34). Hence, when initiating the process of selling his private house, the Unit Manager and the real estate agent agreed on a 50,000 DKK discount. This indicates that the agent pursued his self-interest (ibid.).

The relationship between the Unit Manager and the citizens is not the only PA-relationship prevailing. The Unit Manager will also have different goals than his superiors (Eisenhardt, 1989) and the more complex the structures are, the more difficult will it be for the superiors to control the POs’ behaviour. With reference to the Unit Manager accepting gifts, his managers expressed that the employees adhere to the rules – as far as they knew (Appx. 6:92). Yet, as mentioned above, the legal investigation concluded that the Unit Manager received several gifts and violated the rules applying to accepting gifts. This indicates that due to the size of the municipality, it was not possible for the Head of Centre to control and monitor the acceptance of gifts. This is also demonstrated by the following quote by the Head of Centre: *“Of course he [Head of Centre] cannot exclude that there is one or more in such a large organisation who would keep a gift. But he is sure that it would only be in a few instances.”* (Appx. 6:92). This indicates that it was difficult for the superior to monitor the behaviour of the PO and hence curbing the agent’s opportunism due to the size of the organisation.

The difficulty of monitoring the POs’ behaviour is also evident in relation to the Arena CPHX case. In this case, the internal guidelines applying to the acceptance of gifts were violated in relation to two events (Appx. 7:88-89). The first event was a dinner at a Michelin restaurant called *Kadeau* in May 2013. The legal investigation concluded that the cover charges implied that the event was over the limit of what the POs could have participated in (Appx.

7: 87). The POs stated that they were not aware of the cover charge and the fact that it was a Michelin restaurant. According to Buchanan & Tullock (1962), the utility-maximising individual will always choose more rather than less. Hence, it would not be rational for the POs to reject the invitation and not participate in the dinner due to the fact that this would be “less” (ibid.:18). Therefore, this indicates that it is in the POs’ self-interest to participate in the dinner.

The same is evident in relation to Aarhus and Odense. They are the second and fourth largest municipality, respectively (Appx. 19). Following, there have been instances of official misconduct, which indicates that the POs have acted in self-interest and pursued private gain. Below, the agents’ behaviour will be illustrated in relation to one case from each municipality.

In relation to the BMF case from Odense, the legal investigation clarified that the PO (agent) from at least 2008 to 2017 participated in the preparation of applications in a minimum of 85 building project cases (Appx. 12:3). The legal investigation discovered that the agent received payment for making drawings for and advising citizens on the procedure of applying for building permits. The legal report concluded that this behaviour involved a breach of several administrative rules, including rules of legal capacity, disclosure of information and impartial administration (Appx. 12:3). This indicates that the agent acted opportunistically and used his official position to pursue private gain, which increased his utility. Following, Bech-Bruhn concluded that the administrative procedures in Odense enabled the PO to carry out the administration of building permits without this being evident in the journal of building permits (Appx. 12:31). The journal of building permits works as an information system that keeps track of the building permits being processed. Therefore, the journal of building permits did not curb the agent’s opportunism, because it could not inform the principal about the behaviour of the agent and as a result, the agent was less likely to behave in the interest of the principal (Eisenhardt, 1989). Regarding the CBA case from Aarhus, the lack of information is also evident (Appx. 11:6). Historically, there had not been an electronic system to register the employment processes (Appx. 11:6) that could provide information to the superiors about the POs’ behaviour in relation to the hiring processes. Therefore, it can be argued that it was challenging to curb the opportunism of the PO (Eisenhardt, 1989). The self-serving behaviour is evident in relation to one of the examined managers who participated both in the hiring and salary determination of a family member (Appx. 11:3).

Based on the above analysis, it is concluded that when the distance between the POs and citizens increases, it becomes more difficult to control whether the POs are acting in accordance with the public interest, which creates the opportunity for the POs to follow their self-interest. Thus, the cases of Copenhagen, Aarhus and Odense cannot falsify H2.

7.2.2. Medium municipalities

The cases of Høje-Taastrup and Norddjurs will be analysed jointly since they are both medium-sized municipalities (Appx. 19). It is important to repeat that Norddjurs is an incomplete case, cf. 6.3. Case descriptions. As a result, the conclusion of whether the case of Norddjurs can falsify H2 will be based on the distance to the citizens and the fact that one case of official misconduct has occurred. The analysis of whether the case of Høje-Taastrup can falsify H2 will also be based on these two factors but will furthermore include data from the legal report.

Self-serving behaviour is evident in relation to the case of the former Theatre Manager in Høje-Taastrup. This is illustrated in the legal investigation that concluded that there was a confusion of private and public funds in several of the circumstances investigated (Appx. 16:5). The confusion of private and public funds arose in relation to the Theatre Manager being the only approver of expenses incurred by him (Appx. 16:8). During the period from 1 January 2011 to 30 April 2012, the Theatre Manager made credit card withdrawals for a total of 229,191.00 DKK and no other employee at the theatre approved these expenses. The reason was that the Theatre Manager acquired the task from the former Administrative Director (Appx. 16:11). The legal report concluded that the Theatre Manager carried out credit card withdrawals with lacking or inadequate documentation, and where no other employees at the theatre dealt with these expenses (Appx. 16:8). Thus, the theatre's administration and control were not in alignment with the regulative for municipalities' expenses and accounting (Appx. 16:13). This raised suspicion about the spending of public funds. Thus, it can be reasoned that the Theatre Manager pursued his own self-interest because he used public funds for private gain (Buchanan & Tullock, 1962:34). As described in the analysis of H1, the Theatre Manager started to pursue private gain when the theatre had grown into a more complex organisation where he ensured that he was the only approver of his expenses. This indicates that there was no information system to curb his opportunism, which can explain his pursuit of self-interest. Following, Høje-Taastrup also had a withdrawal and accounting regulative, which stated that the individual having the expenses cannot be the approver of the expenses. In the interview conducted in relation to the legal investigation, the Administrative Director stated that she was not aware of the regulation of the municipality: *"The Administrative Director was familiar with the theatre's own guidelines as they appear from Taastrup Theatre's staff manual. The Administrative Director stated that she could subsequently see that one could not certify own expenses. However, it had been the practice at the theatre."* (Appx. 16:10) The opportunistic behaviour can be explained by the institutions and legal constraints evident in Høje-Taastrup (Buchanan & Tullock, 1962:27). By changing the structures of approval of expenses, it was possible for the Theatre Manager to follow his self-interest. It can be argued that the expense practice and thus the institution did not constrain his pursuit of private gain (ibid.). Thus, this indicates that the institutions did not constrain the Theatre Manager's use of public funds for private use, because it had been the practice that one could certify own expenses. Hence the action is directed toward the

private interest of the Theatre Manager (ibid.). In addition, it can be argued that by implementing this, an agency problem occurred (Eisenhardt, 1989). By changing the structures of approval of expenses, it became difficult for the superiors (principal) to verify what the Theatre Manager was actually doing (ibid.).

The fact that Høje-Taastrup and Norddjurs being medium-sized municipalities each have had one legal investigation of official misconduct indicates that the self-serving behaviour increases in line with the distance between citizens and POs. It is more difficult to monitor and verify the behaviour of the POs in Høje-Taastrup and Norddjurs than it is in a smaller municipality, leading to self-interested behaviour. Thus, the cases of Høje-Taastrup and Norddjurs cannot falsify H2.

Based on the above analysis, it is concluded that when the distance between the POs and citizens increases, it becomes more difficult to control whether the POs are acting in accordance with the public interest, which creates the opportunity for the POs to act in correspondence with their self-interest. Thus, the cases of Høje-Taastrup and Norddjurs cannot falsify H2.

7.2.3. Cross-case analysis

H2 has now been analysed in relation to each case of official misconduct, which is the first level of the data set as described in 5.2. The general analytic strategy. The hypothesis will now be analysed on the second level of the data set consisting of the 98 municipalities. The purpose is to analyse how this level contributes to the conclusions from the within-case analyses. First, the analysis focuses on both the 80 municipalities that have not had legal investigations and the five municipalities that have had legal investigations of official misconduct in the period examined. Second, the analysis will focus on the 13 municipalities that rejected the application to access to documents.

The empirical foundation of the analysis of the 8 municipalities that have not had legal investigations of official misconduct in the period examined consists of two variables: first, the fact that they have not had legal investigations and second, the size of the municipalities. Based on the conclusions from the within-case analyses, this indicates that when there is a smaller distance between POs and citizens in the small and medium-sized municipalities compared to the large municipalities, it becomes easier to verify behaviour of the POs. When the distance decreases, it becomes less extensive for the citizens to monitor the behaviour of the POs', thus curbing the self-interested behaviour of the POs. This can explain why there are no legal investigations of official misconduct in the small municipalities and only two legal investigations in the medium-sized municipalities in the period examined.

In relation to the seven municipalities that are characterised as large municipalities according to DST, three of these have had legal investigations of official misconduct (Copenhagen, Aarhus and Odense), three have not had such investigations (Esbjerg, Vejle and Frederiksberg), and Aalborg rejected the application to access to documents (Appx. 18). As argued in the analysis of H1, it can be expected that in the future, there will be more legal investigations of official misconduct in the large municipalities that have and have not had legal investigations of official misconduct. This is also applicable in relation to the analysis of H2. This is supported by the fact that there have been four legal investigations of official misconduct in Odense for which the period examined is a 10-year period. However, in Copenhagen and Aarhus where the period examined is five years, there have been three legal investigations of official misconduct. Thus, this indicates that it is a question of time before official misconduct will occur in Esbjerg, Vejle and Frederiksberg since these are large municipalities where it is difficult to curb the POs' opportunism. Since it is assumed that the POs are rational utility-maximisers, they will seek to increase their utility if they are not constrained by legal and moral institutions (Buchanan & Tullock, 1962:27).

The above analysis shows support for the conclusions from the within-case analyses and thus, H2 is not falsified in this relation.

In relation to the 13 municipalities that rejected the application to access to documents, it is not possible to analyse whether the distance between POs and citizens positively correlates with the POs' self-serving behaviour. The data from these municipalities does not provide information about self-serving behaviour and thus, they cannot contribute to the conclusions from the within-case analyses.

Based on the above, it can be concluded that the distance between the POs and citizens positively correlates with self-serving behaviour. As the distance increases, it becomes more difficult to control and verify the behaviour of the POs, which makes it more extensive to curb the PO's opportunism. This leads to more instances of official misconduct in the large municipalities compared to the small and medium-sized municipalities. Table 17 on the next page summarises the conclusions from the above analysis. The hypothesis was not falsified in 5 cases. Thus, it is concluded that the hypothesis is strong. As a result, when aggregating the individual cases, H2 is not falsified, which increases the generalisability of the hypothesis.

Municipality	Case	H2
Copenhagen	CBY	NF
	Arena CPHX	
	Ringbo	
Aarhus	AVA	NF
	CME	
	CBA	
Odense	BMF	NF
	BKF	NF
	BUF	
	Arena Fyn	
Høje-Taastrup	Taastrup Theatre	NF
Incomplete case	Norddjurs	NF
No instances of official misconduct	Large municipalities (3)	NF
	Medium municipalities (55)	
	Small municipalities (22)	
Municipalities rejecting the application	13 municipalities	-

Table 17: Summary of H2 conclusions

7.3. Hypothesis 3

This section will analyse H3:

H3: The public officials' self-interested behaviour positively correlates with official misconduct.

The analysis of H3 will be based on the analyses of H1 and H2 and thus, will not include additional theory. In the analysis of H2, it was concluded that the official misconduct in the cases of CBY and Arena CPHX from Copenhagen, CBA from Aarhus, BMF from Odense, and the case of Taastrup Theatre from Høje-Taastrup increased the utility of the accused POs. Thus, the official misconduct in these cases were results of the accused POs' self-interested behaviour. As a result, these cases cannot falsify H3.

The rest of this section will analyse the remaining cases from Copenhagen, Aarhus, and Odense. It will be analysed whether the investigated behaviour in these cases can be characterised as self-interested behaviour.

7.3.1. Copenhagen

Ringbo

Two of the six investigated circumstances indicate self-interested behaviour, which will be elaborated first. Afterwards, it will shortly be described why clear indicators of self-interested behaviour are not observed in the remaining four circumstances.

The two circumstances indicating self-interested behaviour are those concerning wrong statements regarding risk assessments and the number of police reports, cf. 6.3. Case descriptions. In both circumstances, it was the former CEO of the social services department who gave the wrong statements.

The issue regarding the wrong statements about risk assessments arose after the scandal where a paranoid schizophrenic resident at Ringbo killed an employee with a kitchen knife (Appx. 8:28). After the incident, the former CEO stated both internally on Copenhagen's intranet and externally to a journalist from TV2 that risk assessments of the resident in question had been made prior to the incident. Immediately after the incident, the Danish WEA visited Ringbo and disclosed three immediate improvement notices (Appx. 8:22). In relation to the three immediate improvement notices, the WEA emphasized the lack of continuous risk assessments and the lack of guidelines regarding risk assessments (Appx. 8.:32). Thus, the legal report concluded that the statements by the former CEO were not true to reality. Being the former CEO of the social services department, she had the overall responsibility for the administration of Copenhagen's social tasks concerning children, adolescents and adults, including tasks concerning people with psychiatric disorders (Appx. 8:11). Thus, when a scandal arises regarding Copenhagen's social administration, it can have consequences for those responsible, including the CEO of the social services department. This can explain why the former CEO gave wrong statements about risk assessments. The several allegations regarding Ringbo indicate neglects of duties, including the former CEO's duties. By stating that risk assessments of the paranoid schizophrenic resident were made prior to the incident indicates that the POs and thus the former CEO did not neglect their duties and that the incident was an unfortunate event that could not have been predicted nor prevented.

The issue regarding the wrong statements about police reports also arose after the mentioned scandal (Appx. 8:24). The management of Ringbo was accused of not reporting residents' criminal acts to the police (ibid.:44). In a letter to the Folketing's Social Welfare Committee, the former CEO wrote that:

"From 2009 to 2013, 400 inquiries to the police were registered. The 90 are about break-ins, theft and other financial crimes. Therefore, it is completely wrong when TV2 leaves an impression that Ringbo does not react." (Appx. 8:49).

However, as described in the legal report, these 400 inquiries were not directly from Ringbo but were inquiries about Ringbo and thus, could be from anyone (Appx. 8:49). The former CEO's statement indicated that the management of Ringbo complied with the guidelines regarding police reports of criminal acts effective in the social services department (ibid.). This indicates that the former CEO intentionally gave a wrong statement regarding the number of police reports since it would illegitimize the accusations against the management of Ringbo (Boettke, 2007).

The former CEO's wrong statements about risk assessments and the number of police reports indicate that she acted in self-interest. Both accusations against the management of Ringbo indicate a neglect of duties for which the former CEO had the overall responsibility. Thus, she may have feared the consequences it could have had for her if she admitted that she had neglected her duties by not securing a safe work environment at Ringbo and not securing that the department's guidelines regarding police reports were complied with.

There are no indicators of self-interested behaviour in the remaining four circumstances investigated: Inadequate safety at Ringbo, workplace assessments without involvement, violation of conditions judged by the court, and theft amounting to 300,000.00 DKK. In the latter, NV found that there was no question of neglect of duty (Appx. 8:131). However, in the remaining three circumstances, NV found that they were criticisable. In the legal report, it is described that two former Heads of Ringbo were responsible for the overall conditions at Ringbo, including safety arrangements and inclusion of the working environment organisation in the process of making a workplace assessment (Appx. 8:126). The fact that these two circumstances were criticised indicates that the two former Heads of Ringbo neglected their duties. However, the behaviour of the two former Heads of Ringbo are not described in the legal report and thus, it is not possible to analyse whether they acted in self-interest.

Based on the above analysis, it is concluded that the official misconduct committed by the former CEO of the social services department was a result of her self-interested behaviour. Thus, the Ringbo case cannot falsify H3.

7.3.2. Aarhus

AVA

When public employees at AVA bought jeans for private use via the municipality's clothing system or using their work wear in private, it indicates an increased utility since the public employees in question gained a new pair of jeans without paying for them. Thus, it is in the public employees' self-interest to use the clothing system to buy jeans for private use. The legal report concluded that the rules applying to purchase of work wear were violated in

some of the mentioned instances, cf. 6.3. Case descriptions. Thus, the public employees' self-interested behaviour led to an abuse of their position. Thus, the AVA case cannot falsify H3.

7.3.3. Odense

BKF

The accused PO at Odense received monetary payments or other payments for his secondary occupation where he assisted applicants with applying for building permits, cf. 6.3. Case descriptions. When confronted with the choice of receiving payment for his services or to do it for free as a favour, in several instances, he chose the rational choice by taking payment (Appx. 13:17) and thus choosing "more" rather than "less" (Buchanan & Tullock, 1965:18). This choice increases his utility and thus indicates self-interested behaviour. This suggests that the accused PO's self-interested behaviour led to official misconduct. Thus, the BKF case cannot falsify H3.

BUF

It was illegal when Odense asked the managers and social workers in the Children and Adult administration to close cases based solely on budget cuts (Appx. 14:3). There must exist a factual statutory basis to close cases, which lacked in some of the cases that was closed in Odense in the summer of 2015 (Appx. 14:16). Some of the cases that were closed as a result of the budget cuts still had several objectives in the action plans that were not accomplished (Appx. 14:7). Thus, it was not in the interest of the affected families to have their cases closed since the closing was not based on progress and the achievement of goals. The proposal of closing 20% of the cases in the preventive area was made by two level 3 managers from the Children and Adult administration. It can be argued that it is in their personal interest to make sure that the budget overruns are controlled. After 2008, the municipalities and public managers have been subject to tougher economic sanctions if they exceed the agreed financial framework, including the budget (Christoffersen, 2013:82). This indicates that the two level 3 managers from Odense may have feared that they would face sanctions if the budget overruns were not controlled. This suggests that the self-interested behaviour of the two level 3 managers led to official misconduct. Thus, the BUF case cannot falsify H3.

Arena Fyn

Kromann Reumert concluded that the behaviours by the former Municipal Chief Executive and the former Head of Politics and Strategy were criticisable, cf. 6.3. Case descriptions. The former Municipal Chief Executive signed the allonge at a time where uncertainty regarding the legality of the allonge existed and thus, he inflicted an economic commitment on the municipality based on an inadequately informed basis (Appx. 15:8). The former Head of Politics and Strategy contributed to the signing of the allonge at the specific time and thus, he also

contributed to inflicting an economic commitment on the municipality on an inadequately informed basis (Appx. 15:9). The legal report described that the former Municipal Chief Executive felt a political pressure to find a solution to the issue between Odense and the private company Odense Sport & Event (OS&E), who were unsatisfied with Odense's lacking usage of Arena Fyn (Appx. 15:12). This political pressure was a result of the political will to invest in the cultural sphere and allocate a sizeable sum to contracts with OS&E (Appx. 15:6). Furthermore, the former Municipal Chief Executive felt a pressure from OS&E. The former Head of Politics & Strategy sent an e-mail to the former Municipal Chief Executive stating that OS&E's patience was used and that they wanted an agreement regarding extension of the right of use immediately (ibid.:28). Thus, the former Municipal Chief Executive felt a political pressure and a pressure from OS&E. This indicates that the former Municipal Chief Executive might have acted in self-interest when he signed the allonge at the specific time. He might have feared that if he did not resolve the issue fast, OS&E and the politicians would be unsatisfied with his performance resulting in possible consequences for the former Municipal Chief Executive such as a loss of prestige, bad performance, and/or dismissal (Downs, 1967:2). Thus, by signing the allonge despite the uncertainty of the legality, the former Municipal Chief Executive invested more money in the cultural sphere satisfying the politicians, and OS&E got their requested extension of right of use. The finding that time pressure increases the incidences of self-serving unethical behaviour supports the self-interested behaviour of the former Municipal Chief Executive (Zamir & Sulitzeanu-Kenan, 2017). It might also have been a feeling of time pressure that resulted in the former Head of Politics and Strategy contributing to the signing of the allonge at the specific time. After all, it was him who was in contact with the employee from OS&E stating that OS&E's patience was used (Appx. 15:28). However, it is not possible to assess whether it was in the personal interest of the former Head of Politics & Strategy to have the allonge signed.

Based on the above analysis, it is concluded that the official misconduct committed by the former Municipal Chief Executive was a result of his self-interested behaviour. Thus, the Arena Fyn case cannot falsify H3.

7.3.4. Non-findings

It is not possible to falsify H3 in the following cases:

- CME case from Aarhus
- Norddjurs
- The 80 municipalities that have not had legal investigations of official misconduct in the period examined
- The 13 municipalities that rejected the application to access to documents

The CME case from Aarhus focused on the dimensions of the identified problems and as a result hereof, the focus was not to place potential responsibility on an individual level (Appx. 10:3). This means that the legal report does

not describe individual behaviour and thus, it is not possible to analyse whether self-interested behaviour in CME in Aarhus resulted in official misconduct.

The case from Norddjurs is an incomplete case since access to the legal report was not provided. Thus, there is no empirical foundation for analysing whether the official misconduct is a result of self-interested behaviour.

Regarding the 80 municipalities that have not had instances of official misconduct in the period examined and the 13 municipalities rejecting the application to access to documents, there is no empirical foundation to analyse whether self-interested behaviour occurs in these municipalities. In the first case, it is not possible to analyse whether the lack of official misconduct in the 80 municipalities is a result of less self-interested behaviour by the POs. In the second case, it is not known whether official misconduct has occurred in the 13 municipalities rejecting the application making it impossible to analyse whether self-interested behaviour leads to official misconduct.

Based on the above, it can be concluded that the POs' self-interested behaviour positively correlates with official misconduct. The accused POs' behaviour was driven by either a motivation to avoid negative consequences for their actions or lack of actions, or a motivation to increase their utility in an economic way by pursuing monetary gain. Both drivers increase the accused POs' utility and is thus a result of their self-interest. Table 18 on the next page summarises the conclusions from the analysis above. The hypothesis was not falsified in 10 cases. Thus, it is concluded that the hypothesis is strong. As a result, when aggregating the individual cases, H3 is not falsified, which increases the generalisability of the hypothesis.

Municipality	Case	H3
Copenhagen	CBY	NF
	Arena CPHX	NF
	Ringbo	NF
Aarhus	AVA	NF
	CME	-
	CBA	NF
Odense	BMF	NF
	BKF	NF
	BUF	NF
	Arena Fyn	NF
Høje-Taastrup	Taastrup Theatre	NF
Incomplete case	Norddjurs	-
No instances of official misconduct	Large municipalities (3)	-
	Medium municipalities (55)	-
	Small municipalities (22)	-
Municipalities rejecting the application	13 municipalities	-

Table 18: Summary of H3 conclusions

7.4. Hypothesis 4

This section will analyse H4:

H4: Satisficing behaviour moderates the degree of official misconduct

As described in chapter 4, Theoretical foundation, the analysis of H4 will be based on behavioural economics. The structure of this section is as follows: first, the concrete monetary gain or the scope of the official misconduct will be analysed within each case to identify if satisficing behaviour affects the degree of official misconduct. Second, this creates the foundation for looking at the aggregated cases to analyse if satisficing behaviour moderates the degree of official misconduct.

7.4.1. Copenhagen

CBY

The analysis of the CBY case will focus on the behaviour of the Unit Manager accused of having secondary occupation and accepting gifts. The scope of his behaviour indicates maximising behaviour whereas the concrete monetary gain indicates satisficing behaviour. This will be elaborated below.

During the legal investigation of the Unit Manager's secondary occupation, it was uncovered that he had accepted gifts and other benefits three times, which were a violation of the rules applying to acceptance of gifts (Appx. 6:126). Thus, the Unit Manager engaged in several unethical behaviours: accepting gifts, having secondary occupation and giving false information during an official dressing-down. Thus, the scope of his behaviour indicates a degree of maximising behaviour since his pursuit of private gain is not an isolated occurrence. However, when investigating the individual circumstances, it appears as if the Unit Manager was satisficing. For example, in relation to the Unit Manager's secondary occupation, he assisted a citizen with a construction permit application without receiving any payment or other benefits for this (Appx. 6:58). This indicates satisficing behaviour since the rational choice would have been to accept payment for his services and thus maximising his utility (Simon, 1997:119). Furthermore, the Unit Manager calculated a fee of 12,000.00 DKK as payment for his consulting services for a company (Appx. 6:64). However, as stated in the legal report: "...*this was a symbolic payment. He has conducted a lot bigger task than what equivalates 12,000 DKK.*" (Appx. 6:64). This quote indicates satisficing behaviour, as the Unit Manager allegedly could have charged a larger amount. However, he chose the opportunity that was good enough (Simon, 1997:119).

When assessing whether the Unit Manager was satisficing or maximising, it is emphasised that the Unit Manager in his individual choices chooses the option that is good enough. In the individual situations, he does not choose "more" rather than "less".

Based on the above analysis, it is concluded that the accused Unit Manager's behaviour can be characterised as satisficing. Thus, the CBY case cannot falsify H4.

Arena CPHX

The analysis of the Arena CPHX case will focus on the behaviour of the POs accused of accepting invitations to seven different events sponsored by the company Arena CPHX (Appx. 7:86). Several aspects of the POs' behaviour indicate satisficing behaviour, which will be elaborated below.

According to the legal report (Appx. 7:87), it is only two out of the seven circumstances that violate the internal guidelines applying to acceptance of gifts. First, the POs accepted an invitation for a dinner hosted by Arena CPHX at restaurant *Kadeau* (Appx. 7:29). From the legal report, it is stated that the average cover charge at the restaurant was 2,330 DKK. This was considered beyond the scope of what POs in Copenhagen were allowed to participate in (Appx. 7:88). However, it is important to notice that the POs concurrently stated that they were not aware of

the price level nor the fact that the restaurant had a Michelin star (Appx. 7:29). These circumstances indicate satisficing behaviour, as the POs were not aware of the extent of the accepted invitation, hereby not trying to maximise their utility. Second, the POs accepted an invitation to a concert at *Parken* (Appx. 7:32). However, it is not possible to assess whether the POs maximised or satisficed by participating in this event since the description of the event is extracted from the legal report because of confidentiality reasons.

In relation to the remaining five circumstances, it is evident from the report that the amounts were proportionately small (Appx. 7:87-89). In these circumstances, the POs acted within the internal guidelines regarding participation in events and acceptance of gifts, and therefore they are not intentionally trying to maximise their output in these circumstances. Thus, this indicates satisficing behaviour.

Based on the above analysis, it is concluded that the accused public officials' behaviour can be characterised as satisficing. Thus, the Arena CPHX case cannot falsify H4.

7.4.2. Aarhus

AVA

The analysis of the AVA case will focus on the behaviour of six public employees accused of using public funds to purchase work wear for private use. The behaviour of the public employees indicates satisficing behaviour, which will be elaborated below.

The legal report concluded that it was only in very few instances that the rules applying to purchase of work wear were violated. Furthermore, the legal investigation uncovered that the rules were very vague and that it was up to the public employees to assess when they needed to purchase new work wear (Appx. 9:13). Thus, it indicates satisficing behaviour that the public employees did not violate the rules to a larger extent.

Based on the above analysis, it is concluded that the public employees' behaviour can be characterised as satisficing. Thus, the AVA case cannot falsify H4.

7.4.3. Odense

BKF

The analysis of the BKF case will focus on the behaviour of the public official accused of having secondary occupation and having a dual role. Several aspects of his behaviour indicate satisficing behaviour, which will be elaborated below.

First, the accused public official provided counselling and assistance to citizens who wished to apply for a construction permit in 85 circumstances. This took place for nine years, and from the legal report, it is stated that the accused public official occasionally helped friends and acquaintances as well as other citizens, both as an act of friendship and in exchange for a fee (Appx. 13:13). This indicates satisficing behaviour, as the accused public official in several circumstances conducted this counselling as an act of friendship, hereby not maximising his utility by choosing “more” rather than “less”. Second, insecurities existed regarding to what extent the accused public official received a fee for his services (Appx. 13:17). However, it is evident that in some circumstances, he billed 700-900 DKK for his assistance to the applicants (Appx. 13:17). Normally this sort of service was billed for 7,000-12,000 DKK (byggetilladelse.nu, 2018). This indicates satisficing behaviour, as the accused public official could have gained a larger monetary payment for his services. Third, the accused public official had at several occasions carried out counselling regarding construction projects for a carpenter, in which he received remunerations in the form of materials and labour as well as participation in a sponsor event (Appx. 13:17). This indicates satisficing behaviour, as these payments are considered relatively low and as the possibility which is good enough in the specific situations (Simon, 1997:119).

Based on the above analysis, it is concluded that the accused public official's behaviour can be characterised as satisficing. Thus, the BKF case cannot falsify H4.

7.4.4. Høje-Taastrup

Taastrup Theatre

The analysis of the Taastrup Theatre case will focus on the behaviour of the former Theatre Manager accused of spending public funds for private consumption. The behaviour of the Theatre Manager indicates maximising behaviour, which will be elaborated below.

The Theatre Manager in question was investigated for several critical circumstances (Appx. 16). It was uncovered that the Theatre Manager spent public funds to purchase shoes, clothes, wine, lamps, etc. Furthermore, it was

uncovered that he entered into contracts with himself amounting to a contract value of more than 100,000.00 DKK (Appx. 16). KL recommended Høje-Taastrup to make a requirement for a refund of 205,236.20 DKK towards the former Theatre Manager (Appx. 16:60). This indicates maximising behaviour, due to the scope and monetary gain of this case being so extensive.

Based on the above analysis, it is concluded that the accused Theatre Manager's behaviour can be characterised as maximising. Thus, the Theatre Manager case falsifies H4.

7.4.5. Non-findings

In the following cases, the empirical foundation does not allow for conclusions to be drawn in relation to H4:

- Ringbo
- BUF
- BMF
- ArenaFyn
- CME
- CBA
- Norddjurs
- The 80 municipalities that have not had legal investigations of official misconduct in the period examined
- The 13 municipalities that rejected the application to access to documents

Regarding the listed cases of official misconduct in Copenhagen, Aarhus, and Odense, the legal reports do not describe circumstances characterised as satisficing behaviour or maximising behaviour. Hence it is not possible to derive a conclusion in relation to these cases.

The case from Norddjurs is an incomplete case since access to the legal report was not provided. Thus, there is no empirical foundation for analysing whether the official misconduct is a result of satisficing behaviour.

Regarding the 80 municipalities that have not had instances of official misconduct in the period examined and the 13 municipalities rejecting the application to access to documents, there is no empirical foundation to analyse if satisficing behaviour moderates the degree of official misconduct. Therefore, it is not possible to draw a conclusion in relation to these cases.

Based on the above, it is concluded that satisficing behaviour moderates the degree of official misconduct in four cases. By limiting the monetary gain and the scope of their actions, the accused public officials in these cases choose the options that are characterised as being good enough. However, the hypothesis was falsified in one case where the accused Theatre Manager maximised his utility by increasing the monetary gain and the scope of his actions. This leads to the falsification of the hypothesis and a decrease in the generalisability of the hypothesis. Table 19 summarises the conclusions from the within-case analyses. The hypothesis still has some generalisability since it was not falsified in four cases.

Municipality	Case	H4
Copenhagen	CBY	NF
	Arena CPHX	NF
	Ringbo	-
Aarhus	AVA	NF
	CME	-
	CBA	-
Odense	BMF	-
	BKF	NF
	BUF	-
	Arena Fyn	-
Høje-Taastrup	Taastrup Theatre	Falsified (F)
Incomplete case	Norddjurs	-
No instances of official misconduct	Large municipalities (3)	-
	Medium municipalities (55)	-
	Small municipalities (22)	-
Municipalities rejecting the application	13 municipalities	-

Table 19: Summary of H4 conclusions

7.5. Hypothesis 5

This section will analyse H5:

H5: Public officials' overconfidence positively correlates with official misconduct.

As described in chapter 4, Theoretical foundation, the analysis of H5 will be based on behavioural economics. The structure of this section is as follows: first the seniority of the accused public officials and the risk-seeking behaviour in relation to official misconduct will be analysed within each case of official misconduct to identify whether they correlate. This creates the foundation for looking at the aggregated cases to analyse how public officials' overconfidence positively correlates with official misconduct.

7.5.1. Copenhagen

CBY

The accused public official from the CBY case was a Unit Manager for four years before the legal investigation was initiated in 2017 (Appx. 6:124). As a result of his position at the managerial level, he has some degree of expertise level, which may make him prone to overconfidence and thus judgment biases (Liu & Vedlitz, 2017). This overconfidence can explain why he engaged in risk-seeking behaviour that was legally investigated. This risk-seeking behaviour will be elaborated below.

Several circumstances regarding the Unit Manager's actions are considered potentially critical from the legal investigation. First, it was primarily the correspondence between the Unit Manager and the real estate agent that could lead to sanctions related to employment law for the Unit Manager (Appx. 6:100). This correspondence with the real estate agent took place in the period from May 2015 until June 2017 (Appx. 6:100). Thus, this correspondence was ongoing for two years (Appx. 6:100). It can be argued that this indicates risk-seeking behaviour, due to the fact that it can be assumed that the risk of getting caught increases. Hence, this might imply that the Unit Manager is in an illusion of control (Liu & Vedlitz, 2017). Second, the risk-seeking behaviour in relation to the real estate agent is furthermore illustrated in the mail correspondence between the Unit Manager and the real estate agent, "...AA contacted an employee, which processed the case in question, and he followed the case to further processing. This pleased the real estate agent, who subsequently wrote to AA that "he owes". (Appx. 6:104). It can be argued that the job position and experience of the Unit Manager makes him convinced that he possesses more information and greater knowledge regarding specific working processes, which results in risk-seeking behaviour. Third, from the following quote from the legal investigation, it is evident that the Unit Manager "...afterwards again in 2016 contacted the same real estate agent, as he considers selling his house, and that the parties actually signed a mediation agreement regarding the private house of AA in May 2017" (Appx. 6:105). This indicates risk-seeking behaviour, as the fact that the accused public official contacts the real estate agent regarding the discount, implies illusion of control increasing and the perception of risk declining, leading to more risky decisions being made (Liu & Vedlitz, 2017).

Based on the above analysis, it is concluded that the accused Unit Manager demonstrated risk-seeking behaviour in relation to the committed official misconduct. Thus, the CBY case cannot falsify H5.

Arena CPHX

The four accused public officials of the Arena CPHX case attended different events hosted by Arena CPHX (Appx. 7:4). The group of public officials from Copenhagen consisted of a Managing Director (Appx. 7:25), a Special Advisor, a Chief Advisor, and a Head of Office (Appx. 20:6). As a result of their positions at the managerial level, they have some degree of expertise level, which may make them prone to overconfidence and thus judgment biases (Liu & Vedlitz, 2017:705). This can explain why they engaged in risk-seeking behaviour that was legally investigated. This risk-seeking behaviour will be elaborated below.

First, the three public officials attended an event held at restaurant *Kadeau* (Appx. 7:29). This restaurant had one Michelin star and the cover charge of the event was 2,330 DKK (Appx. 7:29). This indicates risk-seeking behaviour, as this participation is beyond the scope of what public officials in Copenhagen are allowed to attend (Appx. 7:88). Second, it is unknown whom of the public officials that attended the concert at *Parken* (Appx. 7:32). This indicates risk-seeking behaviour, as this event is categorised as not being professionally related in the legal report (Appx. 7:89). However, further information regarding this event was not accessible due to confidentiality.

Based on the above analysis, it is concluded that the accused public officials demonstrated risk-seeking behaviour in relation to the committed official misconduct. Thus, the Arena CBHX case cannot falsify H5.

Ringbo

The accused public official from the Ringbo case was the former Administrative Director of the social services department. As a result of her position at the managerial level, she has some degree of expertise level, which may make her prone to overconfidence and thus judgment biases (Liu & Vedlitz, 2017:705). This can explain why she engaged in risk-seeking behaviour that was legally investigated. This risk-seeking behaviour will be elaborated below.

First, the former Administrative Director made an incorrect statement about risk assessments. This indicates risk-seeking behaviour, as this statement was “*not in accordance with the factual circumstances.*” (Appx. 8:127). Second, the former Administrative Director made an incorrect statement regarding the number of police reports. This strengthens the indications of risk-seeking behaviour, as this statement was also not in accordance with the factual circumstances (Appx. 8:129).

Based on the above analysis, it is concluded that the former Administrative Director demonstrated risk-seeking behaviour in relation to the committed official misconduct. Thus, the Ringbo case cannot falsify H5.

7.5.2. Aarhus

CBA

The accused public official from the CBA case was a manager in CBA. As a result of the public official's position at the managerial level, he has some degree of expertise level, which may make him prone to overconfidence and thus judgment biases (Liu & Vedlitz, 2017:705). This can explain why the public official in question engaged in risk-seeking behaviour that was legally investigated. This risk-seeking behaviour will be elaborated below.

First, the manager claimed the personnel responsibility of a family member and furthermore participated in the salary determination for this employee. The fact that the manager participated in the salary determination for a family member is inconsistent with the rules of legal capacity (Appx. 11:12). This indicates risk-seeking behaviour, as the manager in question violated the rules of legal capacity and had a conflict of interest in this matter. Second, it is stated that the manager contacted the relevant chairman in charge of the job interview in relation to the seasonal hiring of the family member (Appx. 11:12). After the job interview, the manager had contact with the chairman, in which the decision of hiring the family member was made (Appx. 11:12). This indicates risk-seeking behaviour, as the manager did not only call attention to the interest of the family member, but the manager was also directly involved on the employment itself.

Based on the above analysis, it is concluded that the manager demonstrated risk-seeking behaviour in relation to the committed official misconduct. Thus, the CBA case cannot falsify H5.

7.5.2. Odense

BMF

The accused public official from the BMF case was the former CEO of I/S Infra Service. As a result of his position at the top managerial level, he has some degree of expertise level, which may make him prone to overconfidence and thus judgment biases (Liu & Vedlitz, 2017:705). This can explain why he engaged in risk-seeking behaviour that was legally investigated. This risk-seeking behaviour will be elaborated below.

First, in the legal report, it is noted that the salaries of the CEO and other employees in I/S Infra Service were beyond the legal boundaries within the Danish municipalities (Appx. 12:4). Therefore, after a board meeting, the

CEO was recommended to counsel with the HR department in Odense. However, he did not follow these recommendations (Appx. 12:5). This indicates risk-seeking behaviour, as he was aware of the salaries being above the approved boundaries and did not act in accordance with the recommendations. Second, when entering into the partnership between Odense and Vejle, several conditions were not clarified, even though Odense was aware of these conditions (Appx. 12:16). Furthermore, from the legal report, it is clear that the involved parties subsequently stated that the CEO did not consider it necessary to clarify these listed issues (Appx. 12:16). This indicates risk-seeking behaviour, as he was again aware of irregularities in which he did not follow the correct guidelines. Third, it is clear that the CEO presented an untrue annual report for the board to approve, in which it is stated that the corrections made by the CEO was *“intentionally conducted and with full clarity of the financial statements not being correct after these corrections.”* (Appx. 12:33). This indicates risk-seeking behaviour, as he has intentionally made corrections within the annual report. Fourth, with regards to the relation between the CEO and the Municipal Revision, it is additionally evident that the CEO did not want interference and he made threats of changing accountant (Appx. 12:35). This indicates risk-seeking behaviour, as he avoided interference and expressed threats. Fifth, the CEO performed a bad financial management, which caused the organisation as well as the board to be misled regarding the financial situation during the first two years (Appx. 12:40). This indicates risk-seeking behaviour, as the insufficient management continued for two years.

Based on the above analysis, it is concluded that the former CEO of I/S Infra Service demonstrated risk-seeking behaviour in relation to the committed official misconduct. Thus, the BMF case cannot falsify H5.

BKF

The accused public official from the BKF case was a public official at the office for building permits for 24 years before the legal investigation was initiated (Appx. 13:10). As a result of his seniority of 24 years, he has some degree of expertise level, which may make him prone to overconfidence and thus judgment biases (Liu & Vedlitz, 2017:705). This can explain why he engaged in risk-seeking behaviour that was legally investigated. This risk-seeking behaviour will be elaborated below.

First, the accused public official had secondary occupation where he assisted friends, acquaintances, and citizens in relation to building permit applications (Appx. 13:3). This indicates risk-seeking behaviour, as the accused intentionally had a secondary occupation in relation to construction cases. Second, it indicates risk-seeking behaviour that the secondary occupation took place for nine years from 2008-2017. Third, in this nine-year period, it was established that the accused public official illegally assisted in 85 cases (Appx. 13:14). This indicates risk-

seeking behaviour, as this number of cases is considered as a substantial number of incidents. Fourth, the accused acknowledged that he at least once used his email at work to send a bill to a client regarding his consulting services (Appx. 13:12). This indicates risk-seeking behaviour, as he takes the risk of sending an e-mail related to his secondary occupation from his work e-mail. Fifth, the accused participated in dialogue meetings with unsatisfied neighbours on behalf of clients that were represented by the accused public official (Appx. 13:14). This indicates risk-seeking behaviour due to the fact that participating in these meetings exposed him to a great extent. Sixth, in the legal report, an e-mail from a citizen to the CEO of the regional state administration described the following complaint: “...but we were wondering straight from the beginning about the fact that they [the neighbours] had a visit from [the accused] on a Saturday midday to discuss a construction case.” (Appx. 13:15). From the same email, it is evident that “[the accused] only pleaded the neighbours’ case” and that the accused “had been very unpleasant in all telephone conversations.” (Appx. 13:15). This indicates risk-seeking behaviour, as it must be perceived as highly risky behaviour to represent an official authority outside of normal working hours.

Based on the above analysis, it is concluded that the accused public official demonstrated risk-seeking behaviour in relation to the committed official misconduct. Thus, the BKF case cannot falsify H5.

Arena Fyn

The accused public officials from the Arena Fyn case was the former Municipal Chief Executive and the former Head of Politics and Strategy. As a result of their positions at the managerial level, they had some degree of expertise level, which may make them prone to overconfidence and thus judgment biases (Liu & Vedlitz, 2017:705). This can explain why they engaged in risk-seeking behaviour that was legally investigated. This risk-seeking behaviour will be elaborated below.

First, the former Municipal Chief Executive acted in a criticisable manner, as he forwarded and signed the illegal allonge to OS&E (Appx. 15:8). This was done at a time where insecurity regarding the legality of the allonge immersed. This indicates risk-seeking behaviour, because the allonge was signed at an insufficiently enlightened foundation and without ensuring that the necessary legal basis existed. Second, the former Head of Politics and Strategy also made criticisable actions, as he contributed to the signing of the allonge at the specific time (Appx. 15:9). This indicates risk-seeking behaviour due to the fact that the allonge was initiated at an insufficiently enlightened foundation and without ensuring that the necessary legal basis existed.

Based on the above analysis, it is concluded that the former Municipal Chief Executive and the Head of Politics and Strategy demonstrated risk-seeking behaviour in relation to the committed official misconduct. Thus, the Arena Fyn case cannot falsify H5.

7.5.3. Høje-Taastrup

Taastrup Theatre

The accused public official from Taastrup Theatre case was the former Theatre Manager. He was the manager for 25 years before the legal investigation was initiated (Appx. 16:8). As a result of his position at the managerial level and his seniority of 25 years, he has some degree of expertise level, which may make him prone to overconfidence and thus judgment biases (Liu & Vedlitz, 2017:705). This can explain why he engaged in risk-seeking behaviour that was legally investigated. This risk-seeking behaviour will be elaborated below.

Several different conditions regarding the actions of the Theatre Manager lead to criticism in the legal report. First, the former Theatre Manager personally deleted all his emails in Outlook (Appx. 16:7). This indicates risk-seeking behaviour due to the fact that the Theatre Manager found it necessary to delete all emails at the time of his resignation, which indicates the possibility that he has made risk-associated decisions not to be documented. Second, in the period from 1 January 2011 until 30 April 2012, the Theatre Manager made a total of 229,191.00 DKK credit card withdrawals. No one at the theatre had knowledge of these expenses and therefore the Theatre Manager was the only person to approve these transactions. This was not in accordance with the regulative for municipalities' expenses and accounting (Appx. 16:13). This indicates risk-seeking behaviour, as the Theatre Manager approved the expenses on his own, and therefore did not obey the specific accounting policies. Third, the Theatre Manager purchased clothes, shoes etc. for a total of 49,251.00 DKK paid with public funds (Appx. 16:14). Two of the purchases regarding clothes were made after the resignation of the Theatre Manager. This indicates risk-seeking behaviour, as the Theatre Manager made purchases for private use, even after his resignation. Fourth, the Theatre Manager used a false explanatory statement regarding the reason for these purchases, as stated in this quote from the legal report: *"For instance, he held some workshops at CBS regarding leading masks (young, elderly, academics etc.). This was typically at CBS. He needed different outfits to illustrate different signals in relation to the double-breasted/single-breasted suit, with and without creases"* (Appx. 16:16). However, the lawyers conducting the legal investigation uncovered that the Theatre Manager never held such workshops. This was uncovered by contacting CBS. This indicates risk-seeking behaviour, as the Theatre Manager made a false explanatory statement, which was relatively easy for the lawyers to dismiss. Fifth, the Theatre Manager signed a contract on behalf of both parties regarding a performance to a value of 117,933.50 DKK (Appx. 16:46). This

indicates risk-seeking behaviour, as the Theatre Manager violated the rules applying to legal capacity and the rules of the leader handbook in Høje-Taastrup, and furthermore made a contract with himself under a pseudonym (Appx. 16:47).

Based on the above analysis, it is concluded that the former Theatre Manager demonstrated risk-seeking behaviour in relation to the committed official misconduct. Thus, the Taastrup Theatre case cannot falsify H5.

7.5.4. Non-findings

In the following cases, the empirical foundation does not allow for conclusions to be drawn in relation to H5:

- BUF
- AVA
- CME
- Norddjurs
- The 80 municipalities that have not had legal investigations of official misconduct in the period examined
- The 13 municipalities that rejected the application to access to documents.

Regarding the above cases of official misconduct in Aarhus and Odense, the legal reports do not describe circumstances characterising risk-seeking behaviour. Hence it is not possible to derive a conclusion in relation to these cases.

The case from Norddjurs is an incomplete case since access to the legal report was not provided. Thus, there is no empirical foundation for analysing whether the official misconduct is a result of risk-seeking behaviour.

Regarding the 80 municipalities that have not had instances of official misconduct in the period examined and the 13 municipalities rejecting the application to access to documents, there is no empirical foundation to analyse if public officials' overconfidence positively correlates with official misconduct. Therefore, it is not possible to draw a conclusion in relation to these cases.

Based on the above, it is concluded that public officials' overconfidence positively correlates with official misconduct. The accused public officials' seniority or their positions at the managerial level make them prone to overconfidence and thus risk-seeking behaviour. Table 20 on the next page summarises the conclusions from the within-case analyses. Since no cases falsifies H5, it is concluded that the hypothesis is strong. When aggregating the individual cases, H5 is not falsified, which increases the generalisability of the hypothesis.

Municipality	Case	H5
Copenhagen	CBY	NF
	Arena CPHX	NF
	Ringbo	NF
Aarhus	AVA	-
	CME	-
	CBA	NF
Odense	BMF	NF
	BKF	NF
	BUF	-
	Arena Fyn	NF
Høje-Taastrup	Taastrup Theatre	NF
Incomplete case	Norddjurs	-
No instances of official misconduct	Large municipalities (3)	-
	Medium municipalities (55)	-
	Small municipalities (22)	-
Municipalities rejecting the application	13 municipalities	-

Table 20: Summary of H5 conclusions

7.6. Hypothesis 6

This section will analyse H6:

H6: Awareness of ethics moderates the relationship between the public officials' self-interested behaviour and official misconduct.

As described in the theoretical foundation, the analysis of H6 will be based on behavioural economics.

The structure of this section is as follows: first, the awareness of ethics will be analysed within cases to identify whether such an awareness affects behaviour. Second, the cases with non-findings will be addressed. Third, this creates the foundation for looking at the aggregated cases to analyse how the awareness of ethics moderates the relationship between the POs' self-interest and awareness of ethics.

The Agency for Modernisation has formulated a guide for good behaviour in the public sector (Moderniseringsstyrelsen, 2017). The purpose of this guide is to convey a number of basic rules and principles that apply in the public sector to both employees and employment agencies (ibid.). The guide touches upon legal incapacity, acceptance of gifts, secondary occupation, and professional secrecy. The guide states that it is important that all POs are aware of their responsibilities. Thereby, the guide must help to avoid cases where there may be doubts about public servants' conduct (ibid.). This is in accordance with Zamir & Sulitzeanu-Kenan (2018), who

argues that self-serving behaviour may be reduced by greater awareness of the relevant norms, which may be achieved by drawing attention to, for example, codes of ethics and other guidelines.

Based on the above-mentioned, the following section will analyse the cases of official misconduct in relation to whether the POs have been aware of relevant guidelines and whether this have affected the behaviour of the POs.

7.6.1. Copenhagen

CBY

This section will analyse the Unit Manager who were accused of violating the rules applying to acceptance of gifts and other benefits. Several aspects indicate that the accused PO was aware of the guidelines of receiving gifts, which will be elaborated below.

First, in the legal investigation conducted by Bech-Bruun, current and former employees at TMF concurrently explained that it was not allowed to accept gifts. This is, among others, exemplified by the employee representative who stated that there was not an issue with accepting gifts in TMF (Appx. 6:94). The rules in the area were clear and well-known, and as far as he was aware, employees and managers complied with the rules. When the legal investigation was conducted, there had been an increased focus on the rules of accepting gifts for the last 8-10 years (Appx. 6:94). This was further supported by statements from five other employees (Appx. 6:95). This indicates that the employees were aware of the regulations and guidelines in relation to accepting gifts. Second, the accused PO expressed that there were clear guidelines for accepting gifts from a third party. It must not happen, and the accused PO was of the understanding that the guidelines were followed by everyone in TMF. He had never heard of managers or employees who accepted gifts or benefits from the citizens in exchange for unjustified benefits (Appx. 6:96). This statement by the Unit Manager indicates that he was aware of the guidelines in relation to accepting gifts. As the Unit Manager violated several rules and guidelines in relation to acceptance of gifts and was aware of the guidelines, it can be argued that the awareness of ethics did not moderate the actual engagement in official misconduct in this case (Zamir & Sulitzeanu-Kenan, 2018). In other words, the Unit Manager was aware of the guidelines, however he still violated these guidelines and conducted official misconduct. Hence, it can be assumed that the awareness did not affect the behaviour of the Unit manager.

Based on the above analysis, it is concluded that the Unit Manager committed official misconduct even though he was aware of the guidelines applying to the acceptance of gifts. Thus, the CBY case falsifies H6.

7.6.2. Aarhus

AVA

This section will first analyse the behaviour of the six public employees who were accused of violating the rules applying to purchase of work wear and Bech-Bruun's recommendations. Second, Bech-Bruun's recommendation in relation to secondary occupation will be analysed. Several aspects indicate that the accused public employees were not aware of the guidelines, which will be elaborated below.

First, Bech-Bruun concluded that the rules applying to purchase of work wear objectively had been violated in very few instances (Appx. 9). It was evident that AVA's guidelines for purchase of work wear were unclear for the employees. It was not clear what arrangement and therefore rules that the individual employees were covered by (Appx. 9:10). Hence, there was confusion in relation to which guidelines that applied to the specific groups of employees. Based on the legal investigation, Bech-Bruun recommended that Aarhus ensured that the employees were made aware of these rules and knew where to find them (Appx. 9:15). When the public employees were not familiar with the guidelines, this might have increased the actual engagement in official misconduct (Zamir and Sulitzeanu-Kenan, 2017). This might be due to the fact that when the public employees in AVA were not familiar with the guidelines, the emphasis on personal responsibility could be less clear (ibid.). The above implies that the behaviour of the public employees was affected by an inadequate awareness of the guidelines in relation to purchase of work wear.

The second aspect investigated is whether the rules of law and potential internal rules that applied to secondary occupation for the employees in AVA were violated. The legal investigation did not uncover such violations. However, Bech-Bruun recommended AVA to revise the internal rules and to make sure that existing and new employees become familiar with these rules and instructions and that these are available to employees at any time (Appx. 9:9). The recommendation indicates that the employees were not adequately aware of the guidelines. Even though there were inadequate knowledge about the guidelines, the POs did not engage in official misconduct. Hence, the incomplete knowledge about guidelines did not affect the behaviour of the POs. However, the recommendation of the legal report implies that if the rules are not revised, instances of official misconduct might take place in the future. The above indicates that an awareness of the guidelines might affect future behaviour of POs.

Based on the above analysis, it is concluded that the guidelines applying to purchase of work wear were violated in few instances and that the employees were not aware of the guidelines. In addition, the legal report concludes that an awareness of ethics can affect the behaviour of the employees. Thus, the AVA case cannot falsify H6.

CME

As a part of the legal report, CME reported a great focus on planning of procurement, compliance with procurement rules, documentation of contractual relations and quality assurance and follow up on this (Appx. 10:3). CME stated that prior to the restructuring of the centres, the organisation did not have the same focus on the beforementioned factors. The violations of the procurement processes happened prior to the restructuring, hence supporting this notion (Appx. 10:4). Thus, the issues that had previously prevailed in CME and the matters of attention did not have the same relevance at the time of the legal investigation as during the period to which the legal investigation was primarily related. After the focus on procurement guidelines increased in CME, there were less violations of the rules. As a part of the procurement strategy, Aarhus formulated ten concrete principles for how to handle the process (Appx. 10:12). This supports that there was an increased focus on these guidelines. This indicates that official misconduct may be reduced by greater awareness of the relevant guidelines in relation to the CME case (Zamir and Sulitzeanu-Kenan, 2017). Thus, the fact that there were less violations after the increased focus on the procurement process indicates that as the POs became aware of the guidelines, it affected their behaviour which may lead to official misconduct.

Based on the above analysis, it is concluded that at the time of the violations, there was an inadequate focus on the tendering processes. After Aarhus increased the focus on the tendering process, there were less violations. Thus, the case of CME cannot falsify H6.

7.6.3. Odense

BKF

This section will analyse the accused PO who was accused of violating the rules applying to acceptance of gifts and other benefits. Several aspects indicate that the accused PO was aware of the guidelines for receiving gifts, which will be elaborated below.

As part of the legal investigation, Bech-Bruun conducted interviews with all the employees at the office for building permits. From the interviews, it was evident that the employees were aware of the rules in relation to legal incapacity and prohibition about receiving payments or other benefits from citizens (Appx. 13:25). None of the explanations differed in relation to the awareness of this when talking about oneself or about colleagues (Appx. 13:25). This indicates that there was an awareness of the guidelines, which decreased the self-serving behaviour that may lead to official misconduct (Zamir and Sulitzeanu-Kenan, 2018). With all the employees being aware of the guidelines, it can be assumed that the PO who committed official misconduct was also aware of these

guidelines. However, the legal report does not explicitly describe whether the PO was aware of these guidelines. Second, the legal report recommended that Odense regularly and in the right fora emphasise a focus on corruption, principles of administration, rules and acceptance of gifts (Appx. 13:6). This may indicate that there was not an adequate knowledge about the guidelines and that the legal report suggests that an awareness of the guidelines might affect self-serving behaviour of the POs. Thus, as the accused PO violated the rules and guidelines in relation to secondary occupation and most likely was aware of the guidelines, it can be argued that the awareness did not affect his behaviour.

Based on the above analysis, it is concluded that the accused PO committed official misconduct even though he was aware of the guidelines applying to the acceptance of gifts. Thus, the BKF case falsifies H6.

7.6.4. Høje-Taastrup

Taastrup Theatre

This section will analyse the Theatre Manager who were accused of violating the rules applying to approval of expenses. Several aspects indicate that the accused PO was aware of the guidelines of receiving gifts, which will be elaborated below.

First, in the written account by the Theatre Manager, he stated that he was familiar with the cash regulation (Appx. 16:9). This indicates that the awareness of guidelines in relation to approval of expenses did not affect the self-serving behaviour of the Theatre Manager (Zamir and Sulitzeanu-Kenan, 2018). Second, the theatre manager stated that it was not correct when KMPG indicated that he had been the only one approving his own expenses. The Theatre Manager stated that the theatre had clear procedures for approval of expenses and accounted for how it proceeds, which supported his statement about being familiar with the regulation (Appx. 16:9). However, the Theatre Manager was the only approver of own expenses, and he mixed private and public funds (Appx. 16:61). Therefore, it can be argued that the awareness of the cash regulation did not decrease the self-serving behaviour of the Theatre Manager.

Based on the above analysis, it is concluded that the Theatre Manager committed official misconduct even though he was aware of the guidelines applying to approval of expenses. Thus, the Taastrup Theatre case falsifies H6.

7.6.5. Cross-case analysis

Based on the above analysis of whether awareness of ethics affects the accused POs' behaviour, the section below will analyse how the awareness of ethics moderates the relationship between the POs' self-interest and official

misconduct. In the analysis, the scope of official misconduct is the basis for determining whether awareness of ethics moderates official misconduct. The underlying assumption is that the scope of official misconduct will decrease, as the awareness of ethics increases. The scope is defined as monetary gain or the number of investigated circumstances, or a combination. Several aspects indicate that the accused POs were aware of ethics but that it did not affect the scope of official misconduct, which will be elaborated below.

It is concluded above, that the accused POs of the CBY, BKF, and Taastrup Theatre cases committed official misconduct even though they were aware of the guidelines. In relation to the scope, it can be argued that the awareness of ethics did not affect the Unit Manager's behaviour from the BKF case. First, with regard to the Unit Manager's secondary occupation, he assisted a person with a building permit application. He received 12,000.00 DKK for this assistance. Second, the accused PO was promised a discount on a fee of his private real estate agent. Third, the Unit Manager accepted a Christmas basket worth 1,800 DKK. Fourth, he privately accepted a gift certificate worth 1,600 DKK, for participating in a focus group as a PO (Appx. 6:7). Regarding the BKF case it can be argued that the awareness of ethics did not affect the accused PO's behaviour. During a nine-year period, the accused PO contributed as a consultant in 85 building permit cases. Analysing the Taastrup Theatre case, it can be argued that the awareness of ethics did not affect the behaviour of the accused PO. First, from 1 January 2011 till the 30 April 2012 the Theatre Manager made a total of 229,191.00 DKK credit card withdrawal and he was the only approver of these expenses. Second, the legal report recommended a reimbursement of 12 affairs to be notified to the Theatre Manager. This included concert tickets, clothes and shoes, travels, a table lamp, outdoor lamps, shopping of wines as well as several other matters (Appx. 16:60). The requirement for the refund was 205,236.20 DKK.

Furthermore, it is concluded above that in relation to the accused POs of the AVA and CME cases, the awareness of ethics did affect their behaviour. It can be argued that compared to the instances of official misconduct above, the scope of the AVA case is smaller. It is six POs who in total bought 10 pairs of jeans for private use through a work wear arrangement (Appx. 9:13). The purpose of this purchase was work-related, but the POs used the jeans privately to a certain degree (Appx. 9:13). Regarding the CME case, there were no instances of official misconduct after the organisational restructuring.

Based on the above analysis, it is concluded an awareness of ethics does not moderate the scope of the official misconduct.

7.6.6. Non-findings

In the following cases, the empirical foundation does not allow for conclusions to be drawn in relation to H6:

- Arena CPHX
- Ringbo
- BMF
- BUF
- ArenaFyn
- CBA
- Norddjurs
- The 80 municipalities that have not had legal investigations of official misconduct in the period examined
- The 13 municipalities that rejected the application to access to documents

Regarding the above cases of official misconduct in Copenhagen, Aarhus, and Odense, the legal reports do not describe whether the POs are aware of guidelines or if these are inadequate. Hence it is not possible to derive a conclusion in relation to these cases.

The case from Norddjurs is an incomplete case since access to the legal report was not provided. Thus, there is no empirical foundation for analysing whether awareness of ethics moderate the relationship between POs' self-interested behaviour and official misconduct.

Regarding the 80 municipalities that have not had legal investigations of official misconduct in the period examined and the 13 municipalities rejecting the application to access to documents, there is no empirical foundation to analyse if the POs are aware of guidelines and whether this influences their behaviour. Therefore, it is not possible to draw a conclusion in relation to these cases.

Based on the above, it is concluded that the POs' awareness of ethics does not moderate the relationship between the POs' self-interested behaviour and official misconduct. The accused POs committed official misconduct even though they were aware of the relevant guidelines. Second, in the cases where the awareness of ethics did not affect the behaviour, it did not affect the scope of official misconduct either. Table 21 on the next page summarises the conclusions from the within-case analyses. The hypothesis was falsified in 3 cases. Thus, it is concluded that the hypothesis is weak. As a result, when aggregating the individual cases, H6 is falsified, which decreases the generalisability of the hypothesis.

Municipality	Case	H6
Copenhagen	CBY	F
	Arena CPHX	-
	Ringbo	-
Aarhus	AVA	NF
	CME	NF
	CBA	-
Odense	BMF	-
	BKF	F
	BUF	-
	Arena Fyn	-
Høje-Taastrup	Taastrup Theatre	F
Incomplete case	Norddjurs	-
No instances of official misconduct	Large municipalities (3)	-
	Medium municipalities (55)	-
	Small municipalities (22)	-
Municipalities rejecting the application	13 municipalities	-

Table 21: Summary of H6 conclusions

7.7. Hypothesis 7

This section will analyse H7:

H7: The difficulty of placing guilt moderates the relationship between the public officials' self-interested behaviour and official misconduct.

The structure of this section is as follows: first, the analyses of H1 and H2 will shortly be summarised in order to make the connection between these and the difficulty of placing guilt in municipalities. This creates the foundation for investigating how the difficulty of placing guilt manifests itself within each case of official misconduct, which is the second part of this analysis. This is followed by the third part where it is investigated whether guilt is placed as a result of the legal investigations and what consequences this may have for the guilty. With this set, it becomes possible to investigate how guilt may affect behaviour, which is done fourthly by analysing the POs' reactions towards the potential placement of guilt. Fifth and last, the analysis will look across the cases in order to analyse whether the difficulty of placing guilt moderates the relationship between the POs' self-interested behaviour and official misconduct.

7.7.1. Placing guilt in municipalities

In the analysis of H1, it was concluded that there is a lower sense of decision-making responsibility in large municipalities because it is more difficult to estimate the benefits and costs of decisions in large collective units.

Furthermore, it is more difficult to control and verify the POs' behaviour in large municipalities in which complex structures prevail. This increases the distance between the POs and citizens. As concluded in the analysis of H2, this increased distance further impedes the control and verification of the POs' behaviour who will then to a higher extent act in their self-interest. In large municipalities with complex structures, many POs contribute to decisions, which makes it difficult to ascribe personal responsibility (Thompson, 1980). Therefore, it will also be difficult to place guilt, since guilt is the negative side of responsibility (Sløk, 2014:23). As described in chapter 4, Theoretical foundation, guilt arises when one acts in a way that has adverse effects on others and when one is blamed for this act (ibid.:20). When POs commit official misconduct, it is a breach of the contractual arrangements existing in the collective unit, because they deviate from the set of rules that constitutes the status quo (Buchanan, 1975:74). Activities are collectivised when it is expected to reduce the external costs that are imposed on the individual by purely private action (Buchanan & Tullock, 1962:44). However, when a PO is not constrained in his pursuit for private gain and it leads to official misconduct, it will have adverse effects for others in the collective unit resulting in an increase in the external costs (ibid.:64). This is exemplified in the BKF case in Odense where the accused PO approved a building permit before the deadline for the neighbours' permission to submit comments regarding the potential building permit (Appx. 13:11). Thus, the accused PO violated the rules that apply to the process of granting building permits (Appx. 13:11). This resulted in adverse effects for the complaining neighbour in the form of increasing external costs since the building permit was contrary to his interest. When adverse effects like these are identified, the question of who is accountable arises. In order to place guilt, one needs to be able to identify the relation between an act and its adverse effects, and the individual being accountable for this act. This will be more difficult in large, complex organisations where the problem of many hands is common and where it, as a result, is difficult to verify agents' behaviours. Thus, the next section will analyse how the difficulty of placing guilt manifests itself in the cases of official misconduct.

7.7.2. Difficulty of placing guilt

When investigating how the difficulty of placing guilt manifests itself in the cases of official misconduct, three similarities appear. Several of the legal investigations

1. were initiated after the present issues had already been investigated either by an internal or another external investigation,
2. were based on received written material and interviews, and
3. were initiated years after the investigated official misconduct began.

These similarities will constitute the indications of the difficulty of placing guilt, which will be explained below.

First, the fact that the legal investigations of official misconduct are often initiated after an internal or external investigation indicates that it is comprehensive to place guilt. For example, Kromann Reumert's legal investigation of the allonge connected to Arena Fyn in Odense was initiated after the allonge had been legally evaluated by another law firm, Horten (Appx. 15:4). Horten solely investigated the legality of the allonge and concluded that it was illegal. This laid the foundation for investigating who were accountable for the signing of an illegal allonge, which was done by Kromann Reumert. This example illustrates a separation of the clarification of the adverse effects and the identification of the individuals being accountable for these effects. This indicates a comprehensive process consisting of several steps before being able to make one or more accountable for the adverse effects.

Second, the fact that the legal investigations of official misconduct are often based on both written material and interviews also indicates that it is comprehensive to place guilt. For example, in the CBY case from Copenhagen, Bech-Bruun received material from and the results of the internal investigations conducted by TMF in the fall of 2017, and extensive, supplementary material that Bech-Bruun requested (Appx. 6:19). In addition to this, Bech-Bruun conducted 29 interviews (Appx. 6:20). This indicates that Bech-Bruun needed extensive material both in the forms of documents and interviews in order to clarify the courses of events leading to the accusations in the two anonymous appeals.

Third, the fact that the legal investigations of official misconduct are often initiated more than one year after the investigated behaviour makes it difficult to place guilt. For example, in the CME case from Aarhus, the legal investigation by Bech-Bruun was initiated three years after the signing of the investigated contracts. As a consequence, some of the relevant people that could clarify facts were no longer employed at Aarhus. Thus, it was difficult for Bech-Bruun to completely uncover the actual sequence of events resulting in the fact that Bech-Bruun could not firmly conclude whether the public procurement rules had been violated (Appx. 10:4). This indicates that it becomes more difficult to place guilt as time goes by from the occurrence of official misconduct to the actual investigation of it.

The three indications and their manifestations in the cases of official misconduct are shown in Table 22.

Case		1+ internal or external investigation before the present investigation	Data	Time lag between the official misconduct and the legal investigation of it
Copenhagen	CBY	✓	Written material + 28 interviews	4 years
	Arena CPHX	✓	Written material + 4 interviews	1 year
	Ringbo	✓	Written material	6 year
Aarhus	AVA	%	Written material + 2 interviews	2 years
	CME	✓	Written material + min. 6 interviews	3-4 years
	CBA	✓	Written material + 4 interviews	Minimum 1 year
Odense	BMF	✓	Written material + 12 interviews	3 years
	BKF	✓	Written materials + interviews of all employees in the office + other relevant people	6 years
	BUF	%	Written material	0 years
	Arena Fyn	✓	Written material + 2 hearings	4 years
Høje-Tasstrup	Taastrup Theatre	✓	Written material + 12 interviews	0-1 year

Table 22: Number of legal investigations data and time between official misconduct and legal investigation

A legal investigation involves an examination and account of the actual conditions and sequences of events as well as a legal evaluation of whether mistakes have been committed that give rise to accountability (Appx. 12:1). Accountability is defined as being responsible for what you do (Cambridge Dictionary). Thus, in order to place guilt, it must first be identified who is accountable for the behaviour that led to adverse effects (Sløk, 2014:11). As can be seen from Table 22, the majority of the legal investigations were comprehensive since they were initiated after an internal or external investigation of the same issue, were based on both written material and several interviews, and were initiated years after the occurrence of the investigated behaviour. This indicates that it is difficult to place guilt in connection with official misconduct.

7.7.3. Consequences for the guilty

So far it has been established that it is comprehensive to conduct legal investigations and thus place guilt making it relevant to investigate whether the legal investigations actually result in a placement of guilt and whether this placing of guilt has consequences for the guilty. There are several reasons why officeholders will try to avoid guilt. Public managers will be concerned with guilt if they think that it will reduce prospects of promotion, bonuses,

staying in their current jobs, their reputations, etc. (Hood, 2011:7). In other words, it is the fear of the consequences of guilt that makes officeholders want to avoid it. Thus, it is relevant to investigate what potential consequences that may be inflicted on the accused POs as a result of their official misconduct. Table 23 shows whether guilt has been placed as a result of the legal investigations and what consequences the lawyers recommend for the guilty. When identifying if guilt has been placed, it is determined by whether the lawyers have identified the individual being accountable for the behaviour that resulted in official misconduct.

Case		Placement of guilt	Type of consequence(s) for the guilty recommended by the lawyers
CPH	CBY	Yes	Reprimand Dismissal Police report
	Arena CPHX	Yes	Enforcement notice of the rules applying to acceptance of gifts
	Ringbo	Yes	2 enforcement notices of the precision of given information and the inclusion of working environment organisations A request of a review of the current procedures in one centre
Aarhus	AVA	Yes	Enforcement notice of the rules applying to work wear
	CME	N/A	N/A
	CBA	Yes	Mild sanction
Odense	BMF	Yes	Dismissal Police report
	BKF	Yes	Dismissal Suspension Police report
	BUF	Yes	
	Arena Fyn	Yes	Emphasising the importance of allocating on the basis of an adequately informed choice
Høje-Taastrup	Taastrup Theatre	Yes	Action for recovery of payment Potential police report

Table 23: Placement of guilt and recommended consequence(s)

As can be seen from Table 23, guilt has been placed in 10 of the 11 legal investigations. In the CME case from Aarhus, Bech-Bruun was asked to focus more broadly on the extent of the investigated issues and to point out general issues for the purpose of future learning and improvement of processes in CME (Appx. 10:3). As a consequence hereof, the focus was not on placing guilt on an individual level, which was supported by the fact that the responsible management was no longer employed at Aarhus. Thus, the potential placement of guilt at the managerial level could not result in any consequences for the guilty managers (Appx. 10:3). This is a consequence of the fact that the legal investigation was initiated 3-4 years after the occurrence of the issues investigated.

In the BUF case from Odense, the legal investigation uncovered that employees at managerial level were accountable for the investigated official misconduct. However, the legal report does not conclude what consequences this should have for the accused POs since they did not review and comment the legal report prepared by the lawyers (Appx. 13:5).

Based on the above analysis, it is concluded that even though it is difficult to place guilt in connection with official misconduct, the legal investigations manage to do this anyway. Thus, it has been established that guilt is placed in 10 of the 11 legal investigations.

7.7.4. Public officials' reactions to guilt

This section will analyse how the accused POs react towards the placement of guilt. All of the legal reports, except the report related to the AVA case from Aarhus, somehow describe the accused POs' reactions towards the allegations. This is done e.g. by presenting the POs' written accounts of their behaviour, by quoting the POs, and/or by presenting parts of the summaries from the interviews with the POs. This analysis will be based on Hood's blame avoidance strategies (2011) since they illustrate how *"...blame avoidance shapes the conduct of officeholders, the architecture of organizations, and their operating routines and policies."* (Hood, 2011:4). Table 24 on the next page shows the blame avoidance strategies that appear in the legal reports.

		Presentational strategies			Agency strategies			Policy strategies
		Winning the argument	Drawing a line	Keeping a low profile	Defensive reorganisation and staff rotation	Government by the marked	Partnership structures	Abstinence
Copenhagen	CBY	x						
	Arena CPHX	x					x	
	Ringbo	x	x					x
Aarhus	CME					x		x
	CBA							x
Odense	BMF			x			x	
	BKF	x		x				
	BUF			x				
	Arena Fyn	x						
Høje-Taastrup	Taastrup Theatre	x	x	x	x			

Table 24: Overview of blame avoidance strategies

As can be seen from Table 24, the presentational strategies are the dominant strategies appearing in the majority of the legal reports. This is consistent with the fact that presentation often is the main strategy for blame avoidance that is available to accused POs after a crisis has arisen (Hood, 2011:19). This is due to the fact that presentational strategies attempt to affect the perceived loss or harm component of blame (ibid.:17), which can be done when loss or harm already have occurred. Thus, since the legal investigations of official misconduct are initiated after one or more issues have been identified, the accused POs will try to affect the perceived loss or harm of these issues by using different presentational strategies (ibid.). It will now be analysed how the blame avoidance strategies are employed in the individual cases.

Copenhagen

CBY

The presentational strategy “winning the argument” manifests itself in the accused PO’s responses to the three accusations against him related to violations of the rules applying to acceptance of gifts. The legal report presents his response to the accusations in the form of quotes. For example, the PO stated, as a response to the accusation

of accepting a gift for participating in a professional focus group interview, that he “*was contacted as a private person in connection with a study and participated in the study outside working hours. It had nothing to do with the job I have.*” (Appx. 6:98). However, Bech-Bruun concluded that this was not true. Thus, the quote indicates that the PO attempted to argue that the accusation against him was untrue. This is consistent with the presentational strategy that Hood calls “winning the argument” (Hood, 2011:50). By claiming that his participation in the focus group interview had nothing to do with his position in Copenhagen, the PO denied that there was a problem that could give rise to guilt. The accused PO used the same strategy when responding to the accusations regarding the acceptance of Christmas gifts (Appx. 6:99) and the acceptance of a discount of the fee to his real estate agent (Appx. 6:104).

Arena CPHX

Two blame avoidance strategies are observed in the legal report related to Arena CPHX case from Copenhagen.

The agency strategy “partnership structures” manifests itself in the structure of Arena CPHX that is a limited liability partnership between Copenhagen and Realdania (Appx. 7:25). In 2011, Copenhagen decided to subscribe shares to an amount of 325 mill. DKK in Arena CPHX P/S and 0.25 mill. DKK in Arena CPHX Komplementar A/S with the purpose of building a multi arena (Appx. 7:25). These two corporations had their own board of directors of whom Copenhagen appointed two and Realdania appointed two (Appx. 7:25). According to Hood (2011), such a partnership can be an approach to avoid blame by sharing responsibility (Hood, 2011:81). This is due to the fact that it can be difficult to identify individual agency in complex collaborative structures (ibid.), which is consistent with the problem of many hands as presented by Thompson (1980). When engaging in such partnerships, allocation of responsibility among the various actors and organisations can be made complex (Hood, 2011:81). This is illustrated in the first reason provided by the accused POs for why they did not think that their participation in the dinner at *Kadeau* was a violation of what they were allowed to participate in as POs. The stated reason was that Arena CPHX is partially owned by Copenhagen (Appx. 7:30). This indicates that the POs expected that Copenhagen was also responsible for the event and thus, that it was okay for them to participate.

The presentational strategy “winning the argument” manifests itself in the accused POs’ accounts of their participation in the dinner at *Kadeau*. First, they informed that they did not see any menu card, second, that they were not aware of the price level beforehand, and third, that they were not aware of the fact that the restaurant had been awarded with a Michelin star (Appx. 7:30). This account indicates that the accused POs were not the ones to blame since they did not know that their participation was a violation of the rules. This indicates an attempt to justify their participation (Hood, 2011:50).

Ringbo

Four blame avoidance strategies are observed in the legal report related to the Ringbo case from Copenhagen.

The presentational strategy “winning the argument” manifests itself in the response to the Citizen Advisor’s questions to the social services department in connection with the safety at Ringbo. The social services department argued that there is a fundamental dilemma in complying with both the Working Environment Act emphasizing that the work must be organised in a safe and healthy way, and the Act of the Constitution emphasizing that the personal freedom is inviolable. Thus, the work at Ringbo had to balance the considerations regarding the employees’ safety and residents’ freedom (Appx. 8:21). This indicates that the social services department tried to affect the perception of harm related to the accusations of inadequate safety at Ringbo. The response indicates an acknowledgement of the difficulty of finding the right balance between the considerations for the employees and the residents but according to the statements by the social services department, the accusations were not true since there was a focus on the employees’ safety during the period under investigation (Appx. 8:21).

The presentational strategy “drawing the line” manifests itself in the temporary assessment of the accusation regarding wrong information about police reports coming from Ringbo (Appx. 8:48). The social services department apologised for what happened and stated that it was a human mistake with no intention of misleading the Social Welfare Committee of the Folketing and the municipality, the Citizen Advisor or the public (ibid.). One of the purposes of this strategy is to appear honest and acknowledge one’s mistakes before moving on to repair the damage and face new challenges (Hood, 2011:54). This is also seen in the statement by the social services department where it is stated that they will contact the police in order to clarify the true number of police reports coming from Ringbo indicating a willingness to repair the damages (Appx. 8:48).

The agency strategy “delegation of responsibility” manifests itself in a statement from the social services department regarding the guidelines for police reports (Appx. 8:46). Here it is stated that it was the responsibility of the employees and the managers at Ringbo to report criminal acts to the police (Appx. 8:46). Thus, the managers of the social services department attempt to avoid blame by stating that they are not responsible for reporting criminal acts.

The policy strategy “abstinence” manifests itself in the response to the Citizen Advisor’s questions to the social services department in connection with the wrong information about police reports. The social services department stated that a systematic overview of the number of police reports from Ringbo did not exist because all the police reports were not registered (Appx. 8:45). If the police reports from Ringbo were systematically registered, such an

overview could be used as evidence to place guilt for inadequate safety at Ringbo and for not complying with the rules applying to reporting criminal acts to the police. Thus, evidence of culpability became elusive when Ringbo did not keep records of police reports (Hood, 2011:102). This is supported by the fact that the former Administrative Director of the social services department provided elusive facts about the number of police reports coming from Ringbo (Appx. 8:117).

Aarhus

CME

Two blame avoidance strategies are observed in the legal report related to the CME case from Aarhus.

The agency strategy “government by market” manifests itself in CME’s account of one of the investigated contracts with a supplier (Appx. 10:22). CME informed that the market for IT systems equivalent to the one purchased from the specific supplier had been covered, which revealed that the market consisted of very few suppliers that could only supply parts of the solution delivered by the supplier. This indicates that CME attempted to avoid guilt by blaming the market for IT systems for not being able to deliver the demanded system (Hood, 2011:83).

The policy strategy “abstinence” manifests itself in the identified problems in connection with the four investigated contracts. Bech-Bruun identified an overall inadequate documentation of the contractual obligations, including a lack of an actual contract in writing, documentation of the estimated contract value, and documentation of the essentiality of contractual changes. This lacking documentation made it difficult to identify violations of both internal guidelines and applicable laws. As a result, it also became difficult to place guilt (Hood, 2011:102).

CBA

The policy strategy “abstinence” manifests itself in the fact that the investigated hiring processes in many cases were not documented electronically or in writing (Appx. 11:3). As a result, the legal assessment was subject to some uncertainty (Appx. 11:3). This illustrates that it was difficult for the lawyers to completely uncover the sequence of events and accountability, which is the purpose of not keeping records of issues that may cause blame (Hood, 2011:102). By not keeping a record of the hiring processes, it was not possible for the lawyers to completely uncover whether rules had been violated and whether guilt could be placed (Appx. 11:3).

Odense

BMF

Two blame avoidance strategies are observed in the legal report related to the BMF case from Odense.

The presentational strategy “keeping a low profile” manifests itself in the fact that the former CEO of I/S Infra Service did not want to participate in an interview in connection with the legal investigation of the undesirable economic development of the company (Appx. 12:3). This indicates that the former CEO expected that he would attract more blame by participating in an interview where the lawyers could ask him straightforward and critical questions that could reveal his unethical actions (Hood, 2011:59).

The agency strategy “partnership structures” manifests itself in the structure of I/S Infra Service. The corporation was an intermunicipal partnership between Odense and Vejle (Appx. 12:1). When engaging in such partnerships, allocation of responsibility among the various actors and organisations can be made complex (Hood, 2011:81). The fact that it was not discovered that the company had operational deficits for two years indicates a complex responsibility allocation. This is further supported by the fact that Odense and Vejle decided to initiate a legal investigation of the undesirable economic development of I/S Infra Service in order to place accountability (Appx. 12:1).

BKF

Two blame avoidance strategies are observed in the legal report related to the BKF case from Odense.

The presentational strategy “winning the argument” manifests itself in the accused PO’s account of his secondary occupation during an official dressing-down prior to the legal investigation (Appx. 13:12). During this official dressing-down, the accused PO stated that it was correct that he privately assisted citizens with building permits but only to the extent of writing text to applications. He also stated that the applications were processed in accordance with applicable laws (ibid.). This indicates that the accused PO tried to avoid blame by disclaiming the accusation against him (Hood, 2011:50). It indicates that he tried to justify his secondary occupation by emphasizing the compliance with applicable laws (ibid.).

The presentation strategy “keeping a low profile” manifests itself in the fact that the three accused POs did not want to participate in interviews in connection with the legal investigation (Appx. 13:8).

BUF

The presentational strategy “keeping a low profile” manifests itself in the fact that the accused POs did not find time to review and comment the report prepared by Kromann Reumert (Appx. 14:5). They might expect that it would be more difficult to avoid guilt if they reviewed and commented the report since they would be confronted with the legal assessment of their behaviour.

Arena Fyn

The presentational strategy “winning the argument” manifests itself in the responses from the former Municipal Executive Director (Appx. 15:47) and the former Head of Politics and Strategy (Appx. 15:49) to the legal assessment of their roles in the signing of the illegal allonge. In his response to the legal assessment, the former Municipal Chief Executive justified his signing of the contract by stating several reasons, including that there was a political pressure to find a solution fast, that the legal counselling was unclear and inadequate, and that he still believed that it was unclear whether the allonge was legal or illegal (Appx. 15:47). This indicates that the former Municipal Chief Executive believed that the accusation against him was untrue and that if the allonge was illegal, the guilt was to be placed at the internal legal department since their counselling was unclear and inadequate (Hood, 2011:50). The former Head of Politics and Strategy also justified his behaviour by stating that it was the responsibility of the internal legal department to assess the legality of the allonge (Appx. 15:49). This indicates that the former Head of Politics and Strategy attempted to avoid guilt by blaming the internal legal department.

Høje-Taastrup

Taastrup Theatre

Four blame avoidance strategies are observed in the legal report related to the Taastrup Theatre case from Høje-Taastrup.

The presentational strategy “winning the argument” manifests itself in the majority of the former Theatre Manager’s responses to the allegations against him. In his responses, the former Theatre Manager accounted for the legitimacy of the expenses. This is exemplified in his account of purchases of clothes and shoes where he stated that “*The purpose has been to use the costumes for theatrical purposes in performances and workshops.*” (Appx. 16:15) and also in his account of restaurant visits where he stated that: “*The purpose of the restaurant visits has been to build and maintain the theatre’s network of media, professional, political and financial contacts.*” (Appx. 16:22). Thus, the former theatre manager attempted to disclaim the majority of the allegations against him by giving statements that indicated that no problems existed (Hood, 2011:50).

The presentational strategy “drawing a line” manifests itself in the former Theatre Manager’s account of the purchase of tickets to concerts happening after his resignation (Appx. 16:19). He stated that the unused concert tickets were a negligence as a result of the turbulence following his resignation and that he was bound to ensure that the theatre received the unused tickets or alternatively, that he paid for them (Appx. 16:19). This indicates that the former Theatre Manager confessed to the allegations regarding concert tickets and that he would repair the damages by giving back the tickets or pay for them (Hood, 2011:54).

The presentational strategy “keeping a low profile” manifests itself in the fact that the former Theatre Manager received the interview guide before the interview and that he did not approve the received summary of the interview (Appx. 16:7). By receiving the interview guide before the interview, the former Theatre Manager could prepare for the questions and also state prior to the interview if there were questions that he did not want to answer. This gave him the possibility of decreasing the risk of having to answer questions that could place the guilt on him (Hood, 2011:59). Furthermore, the fact that he did not approve the summary of the interview indicates a belief that he would attract more blame by approving the summary compared to keeping a low profile by not approving it (ibid.).

The agency strategy “defensive reorganisation and staff rotation” manifests itself in the fact that the former Administrative Director of the theatre resigned her position when the legal investigation was in progress (Appx. 16:8). According to Hood, staff rotation can be a blame avoidance strategy since it gives the possibility of counterclaiming that the criticism is out of date since the accountable individual no longer works in the organisation (Hood, 2011:80). It is possible that the former CEO’s resignation was a part of the natural turnover appearing in organisations. However, the fact that she resigned when the legal investigation was in progress may indicate that she resigned because she expected that the legal investigation would lead to her being blamed (ibid.).

Based on the above analysis, it is concluded that when the accused POs are confronted with the potential placement of guilt, they employ different strategies to avoid guilt. Thus, guilt affects the POs’ behaviour. In order to analyse whether the placing of guilt moderates the relationship between the POs’ self-interested behaviour and official misconduct, the last part of this analysis will look across the cases.

Cross-case analysis

So far it has been concluded that it is more difficult to place guilt in larger municipalities since these are more complex organisations, and that guilt affects the POs’ behaviour in the sense that the POs will use different

strategies to avoid guilt. These conclusions will now be analysed in relation to the second level of the data set consisting of the 98 municipalities, cf. 5.2. The general analytic strategy. The purpose is to analyse how this level contributes to the conclusions from the above within-case analyses. First, the analysis focuses on both the 80 municipalities that have not had legal investigations and the five municipalities that have had legal investigations of official misconduct in the period examined. Second, the analysis will focus on the 13 municipalities that rejected the application to access to documents.

According to Hood (2011), officeholders will be more motivated to avoid guilt, the more likely they think that guilt will occur and the more serious they think that the consequences will be if they do come to be blamed (Hood, 2011:8). Since it is more difficult to place guilt in large municipalities, this indicates that POs in these municipalities will think that it is less likely that guilt will occur. As a result, the POs in large municipalities will be less motivated to engage in efforts to avoid guilt (*ibid.*). This may appear contradictory with the analysis of the blame avoidance strategies observed in the section above. However, the analysis above illustrated that the accused POs primarily use presentational blame avoidance strategies reactively after they have engaged in behaviour that resulted in adverse effects for others. Since it is easier to place guilt in smaller municipalities, the POs working in these municipalities may believe that it is more likely that guilt will occur if they engage in behaviour leading to adverse effects. As a result, they may stick to the rules in order to avoid guilt, which is the blame avoidance strategy that Hood calls “protocolization” (*ibid.*:92). This is a more proactive blame avoidance strategy where officeholders avoid guilt by refraining from unethical behaviour (*ibid.*). This may be one explanation for why official misconduct has not occurred in the small municipalities in the period examined. The POs in these municipalities will “voluntarily” comply with the rules because they believe that departure from these will be punished with sufficient certainty and severity (Buchanan, 1975:75). The expectation of being blamed for violating the rules provides a motivational push for the POs to behave in normative ways that will benefit the public (Daniels & Robinson, 2019). However, in large-number groups like large municipalities, individual utility-maximisation will precept defection from the status quo if not constrained by legal or moral institutions (Buchanan, 1975:76). In the cases of Ringbo, CME, CBA, and BKF, the official misconduct took place for several consecutive years before suspicion arose resulting in a legal investigation of the suspicious behaviour (Appx. 8; Appx. 10; Appx. 11; Appx. 13). This indicates that the accused POs were not constrained by such legal and moral institutions since they could deviate from the rules for several years. Thus, when the POs do not expect that guilt will occur, they have individually rational economic reasons for engaging in official misconduct (Buchanan, 1975:76). In other words, it is more rational for POs in large municipalities to pursue private gain because it is less likely that guilt will occur. As a

result, there will be more occurrences of official misconduct in the large municipalities and the occurrences will be more extensive. This is illustrated in Figure 15.

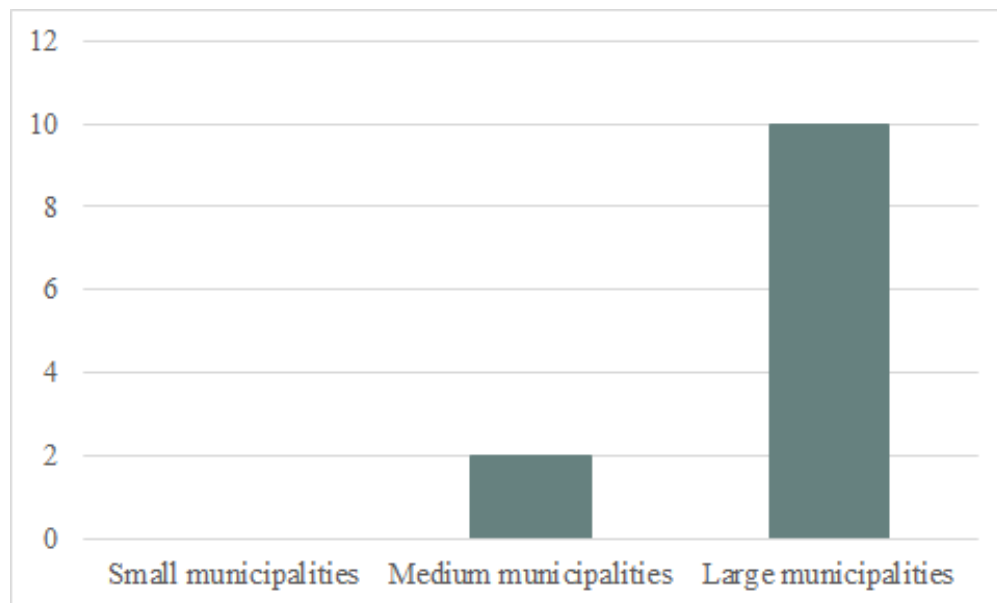


Figure 15: Number of legal investigations

In relation to the 13 municipalities that rejected the application to access to documents, it is not possible to analyse whether the difficulty of placing guilt positively moderates the relationship between the POs' self-interested behaviour and official misconduct. This is due to the fact that it is unknown whether there have been occurrences of official misconduct in these municipalities in the time examined. However, there are indications of a blame avoidance strategy employed in some of these municipalities. Of these 13 municipalities, four rejected the application stating that they do not register occurrences of official misconduct and thus, they would have to review all personnel matters to identify the cases concerning official misconduct, which would demand a disproportionate use of resources, cf. § 9, sub-paragraph 2, no. 1 of the Access to Public Administration Files Act (Appx. 18C; Appx. 18E; Appx. 18J; Appx 18K). This indicates the blame avoidance strategy "abstinence" (Hood, 2011:102). By not keeping a record of occurrences of official misconduct, evidence of culpability becomes elusive and thus, it does not attract blame (ibid.). This indicates that guilt may affect behaviour in these municipalities. However, as already stated, it is not possible to analyse whether this moderates the relationship between the POs' self-interested behaviour and official misconduct and thus, the 13 municipalities cannot contribute to the conclusion of H7.

Based on the above analysis, it is concluded that the difficulty of placing guilt moderates the relationship between the POs' self-interested behaviour and official misconduct. It is more difficult to place guilt in large municipalities

with complex structures where the problem of many hands prevails. As a result, it is more rational for POs in the large municipalities to pursue private gain because it is less likely that they will be blamed for this. POs in the small municipalities will expect to be blamed for such a pursuit and thus, they will stick to the rules. Table 25 summarises the conclusions from the within-case analyses. The hypothesis was not falsified in all cases. Thus, it is concluded that the hypothesis is strong. As a result, when aggregating the cases, H7 is not falsified, which increases the generalisability of the hypothesis.

Municipality	Case	H7
Copenhagen	CBY	NF
	Arena CPHX	NF
	Ringbo	NF
Aarhus	AVA	NF
	CME	NF
	CBA	NF
Odense	BMF	NF
	BKF	NF
	BUF	NF
	Arena Fyn	NF
Høje-Taastrup	Taastrup Theatre	NF
Incomplete case	Norddjurs	NF
No instances of official misconduct	Large municipalities (3)	NF
	Medium municipalities (55)	NF
	Small municipalities (22)	NF
Municipalities rejecting the application	13 municipalities	-

Table 25: Summary of H7 conclusions

8. Discussion

This section will discuss aspects that have been found relevant to discuss while analysing the hypotheses. This entails a discussion of the research design, the applied theory, and the empirical foundation.

8.1. The research design

8.1.1. Discussion of methods

The methods applied in this thesis will be discussed in this section. The purpose is to expose and discuss the methodical considerations that have been evident throughout the analysis and the consequences that these considerations might have for the conclusions of the analysis. First, the methods applied in this study will be discussed. Second, alternative methods will be discussed.

The aim of this thesis is to understand the behaviour resulting in official misconduct and whether guilt can minimise this. As concluded, the difficulty of placing guilt moderates the relationship between the POs' self-serving behaviour and official misconduct.

As mentioned in chapter 5, Methodology, the study design applied to attain an understanding of the relation between guilt and official misconduct is a multiple case study. Through the analysis, it became evident that it could have been beneficial to include further data to support the conclusions. As stated in 5.3. Limitations of the method, a limitation of this study is that it only uses documents as the single data collection method (Yin, 2018:126). According to Yin (2018), when conducting a case study, the use of different sources will strengthen the construct validity because it encourages convergent lines of inquiry (ibid.:126). During the analysis, it became evident that the legal reports and legal bills in some cases did not provide enough empirical foundation to falsify the hypotheses in relation to a specific case. This is, among others, exemplified in the analysis of H3 regarding the CME case in Aarhus. The purpose of the legal report was to establish an understanding of the dimensions of the identified problems and therefore not to address individual behaviour of relevant POs (Appx. 10:3). Hence, the reason why it is not possible to articulate whether there exists a relationship is that the legal report does not address whether the POs pursued their own self-interest. Therefore, in relation to H3, the case of CME is a non-finding. In relation to the analysis, there are in total 39 non-findings. Therefore, it can be argued that it might have increased the construct validity of this thesis to include other data sources and that it would have resulted in less non-findings. Below two alternative data sources will be elaborated in relation to what these data sources would have offered to the study of official misconduct.

According to Andvig et al. (2001), the most promising method for empirically studying corrupt behaviour is by using self-reports in the form of a survey (Andvig et al., 2001). By implementing data triangulation using self-reports, it enables empirical insight into the motives behind official misconduct at an individual level and whether guilt can minimise the behaviour. By using self-reports, it would be feasible to send the survey to POs. However, due to the sensibility of official misconduct, the risk of social bias is of special consideration in relation to self-reports (Gorisa et al., 2018). Hence, if collecting data through self-reports, respondents must be offered to be anonymous in order to improve the response rate and the quality of the answers (Bergh et al., 2017). However, individuals within the public and private sector have shown willingness to answer questions about corrupt behaviour why it can be argued that self-reports would enable us to also suggest something about the scope of the behaviour (Gorisa et al., 2018). On the other hand, the case studies facilitate an in-depth analysis of actual cases of the phenomenon official misconduct where it is possible to take the context into consideration.

Another method of potential advantage is an experimental design. By conducting an experimental design, it would be possible to test whether there is a causal relationship between the causes indicated in the analysis and behaviour of POs. Hence it would be possible to test a causal relationship between guilt and unethical behaviour. However, these experimental designs are generally conducted in a setting that does not always mimic real-life situations (Gorisa et al., 2018). A result is that experimental design often separates a phenomenon from its context, attending only to the phenomenon of interest (Yin, 2018:15). It can be argued that when studying official misconduct outside of its unique context, the corrupt agent and the corruption that is being studied disappear. As the aim of this study is to explore what leads POs in municipalities to engage in official misconduct and whether guilt can moderate this behaviour, it can be argued that by conducting an experimental design, the advantages of cases with regard to richer details of actual cases and their contextuality disappear (Graaf & Huberts, 2008). With official misconduct being a complex phenomenon and multifaceted phenomenon with many causal explanations depending on the context and the interaction of different factors (Jensen, 2013:33), it can be argued that a case study enables us to take the context into account.

As this paper addresses how official misconduct as a phenomenon manifest itself at a municipal level, the case study design offers the opportunity for studying the phenomenon in depth. This is furthermore supported by the fact that in countries with honest judiciaries, the most reliable information about corruption is found in court cases (Andvig et al., 2001:27). Therefore, it is argued that compared to the above methods, the case study offers an in-depth analysis of official misconduct in Danish municipalities. However, it could have been beneficial to address some of the questions using data triangulation to strengthen the line of inquiry. This will be further elaborated in chapter 10, Implications for further research.

Nonetheless, even though that it is not possible to draw conclusions in relation to specific cases, it does not mean that it is a null finding. Looking across the cases, it is possible to draw conclusions in relation to the research question.

8.2. The applied theory

8.2.1. A connection between the size of a municipality and number of experts

In the section below, a potential link between H1 and H5 will be unfolded and discussed.

Throughout the latest decades, a growing interest in implementing reforms regarding the municipal structure has evolved (Houlberg, 2011:42). One of the aims of a municipal reform is to reduce expenses related to the municipal

administration by achieving economies of scale (Blom-Hansen et al., 2014:791). After the municipal reform in 2007, there exist municipalities where the economics of scale have not been realised. For instance, *“the amalgamation of municipalities have increased the number of committees and administrations to a larger degree compared to continuing municipalities, when new assignments and an increased need for expenses as a result of a larger population number is taken into account (Bækgaard, 2008), and an increase in the administrative use of personnel from 2006 till 2008 has happened with armament of new administrative competences (Deloitte, 2008).”* (Houlberg 2011:46). The increased use of administrative personnel can be directly connected to the bureaucratic diseconomies of scale, as the need for management and coordination increases when the size increases (ibid.:46). Based on the above, it can be assumed that increasing the size of municipalities and hereby increasing the number of administrative positions, increases the need for management and specialized employees. This assumption is supported by the fact that the municipalities as a result of the structural reform from 2007 have *“introduced new administration professional competences (Deloitte, 2008; Houlberg 2010) and potential administrative rationalizations can be exchanged for professional and more expensive administrative employees.”* (ibid.:55). This quote indicates that as the municipalities increases in size, they are being compelled to gain more specialised employees in order to accommodate the larger and more complex municipalities. This need for specialised employees within the large municipalities connects H1 to H5, due to the fact that when the size increases the need for specialists increase. The existence of larger municipalities will lead to more management and specialization, and thereby more people with seniority or expertise level. As analysed in H5, when the POs have more expertise, this leads to overconfidence, which leads to more instances of official misconduct due to an illusion of control. Thus, this may lead to more official misconduct. H5 states that people with seniority or some sort of expertise level are prone to overconfidence and thereby to carrying out risk-seeking behaviour. Therefore, based on the analysis of H5, an increasing need for management and specialisation can contribute to explaining why more official misconduct occurs in large municipalities. Thus, when the size of the municipalities increases, more specialists will be employed, hence leading to more risk-seeking behaviour. Thus, it can be argued that there exists a connection between H1 and H5. Based on the above discussion, it is proposed that the theoretical model can be modified by adding a connection between H1 and H5. The modified model is illustrated in Figure 16 on the next page, and the connection is marked by a dotted line.

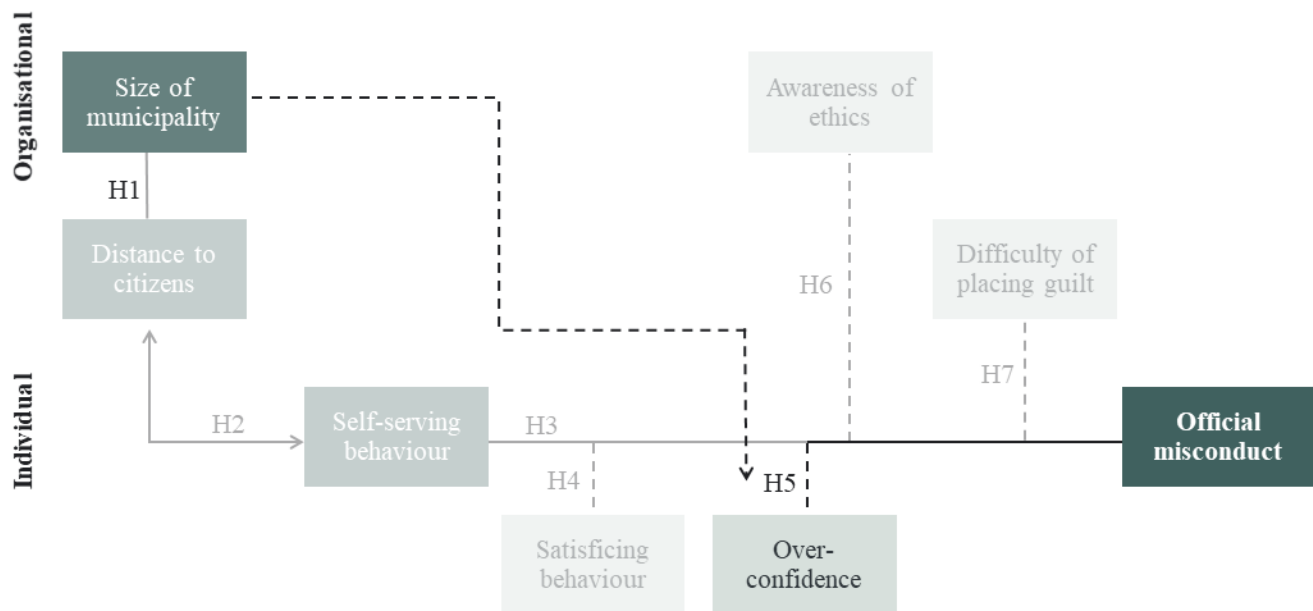


Figure 126: Updated theoretical model

8.2.2. The role of the amoral

In this section, it will be discussed whether individual differences in proneness to guilt may affect the analysis of H7.

In the analysis of H7, it was concluded that guilt moderates the relationship between POs' self-interested behaviour and official misconduct. This raises the question of the influence that individual differences in proneness to guilt may have. Guilt affects behaviour because it is something that we want to avoid. It relates to our inner, more personal character when we have done something wrong whereas responsibility relates to the outer, professional façade (Sløk, 2014:54). However, individuals differ in their proneness to guilt (Tangney, 1990) and their psychological need to be well thought of. As a result, guilt avoidance is not equally distributed among individuals (Hood, 2011:8). Thus, it can be discussed whether the accused POs in this study exhibit different degrees of guilt proneness. For example, as concluded in the analysis of H6, the accused PO in the CBY case from Copenhagen violated the rules applying to acceptance of gifts several times even though he was aware of the rules. The fact that the violations were not a one-time occurrence indicates that he did not evaluate his transgressions negatively, which would have led to the feeling of guilt (Tangney, 1990). This may indicate that he has a relatively low guilt proneness (ibid.). When considering the individual differences in guilt proneness, this may affect the practicality of incorporating guilt in the moral institutions surrounding the POs as described in the analysis of H7. POs will be more motivated to engage in efforts to avoid guilt if they believe that it is likely that guilt will occur (Hood,

2011:8). Thus, the incorporation of guilt in the moral institutions will be a way of aligning the POs' pursuit of private gain with the attainment of the objectives of the public (Buchanan & Tullock, 1962:27). However, knowing that individuals differ in their guilt proneness, the moral institutions incorporating guilt may not have the same desired effect on all POs. The affective experiences of guilt are suggested to be critical when developing moral motivation and moral behaviour since they motivate altruistic social behaviour (Tangney, 1990). Thus, the moral institutions may not, to the desired extent, align a PO's pursuit of private gain with the attainment of the objectives of the public if that PO has a low level of guilt proneness. This may have the consequence that if there are POs with low levels of guilt proneness, it will be impossible to completely avoid self-interested behaviour leading to official misconduct despite the incorporated guilt in the moral institutions.

The above may be further supported by Tullock's theory of the bias against morality (Tullock, 1965:23). This bias arises in any organisational structures where selection on a merit basis is employed (ibid.). Selection on a merit basis means that *"advancement is the result of conscious selection by somebody in terms of some characteristics which are thought desirable."* (ibid.:16). One general characteristic for which any organisation will select is the ambition to rise (ibid.:19). This has consequences for the moral level in the top levels of hierarchies. This is illustrated by the description of two hypothetical individuals. One (A) is solely interested in his own career and does not strictly conform to the prevailing moral codes in the organisation, and the other (B) is solely interested in the objectives of the organisation and will strictly conform to the prevailing moral codes (Tullock, 1965:21). In the ideal administrative structure, these two individuals will engage in the same behaviour in order to achieve promotion since A will expect that his chances of promotion are higher if he acts in a way that furthers the objectives of the organisation (ibid.). However, this is unusual in existing governmental structures (ibid.). As Tullock puts it: *"A man with no morals will possess a marked advantage over the moral man who is willing to sacrifice career objectives."* (ibid.:22). This is due to the fact that the man with no morals has a wider range of choices when striving for rising in the hierarchy. A and B will choose identically if the best course of action when advancing their personal interest lies within the moral codes. However, if the best course of action entails a deviance from the prevailing morality, A has a clear advantage since he does not strictly conform to the moral codes and thus, he is willing to transgress this morality in order to rise (ibid.:23). As a result, the individual who is willing to ignore moral considerations in order to advance his own personal status will be more likely to advance in the hierarchy, which has the consequence of a low general moral level of the bureaucrats that have reached the top of the structure (ibid.:22). This may explain why the majority of the accused POs are managers at different levels. They may be willing to transgress moral codes to advance their status in the hierarchy resulting in a low level of moral and low guilt proneness at these levels of the hierarchy. This may be exemplified in the Arena Fyn case from Odense where the former Head of Politics and Strategy was accused of contributing to the signing of

the illegal allonge, cf. 6.3. Case descriptions. It might have been in his personal interest to find a solution fast since this was in the interest of the former Municipal Chief Executive. Thus, when helping the former Municipal Chief Executive in finding a solution to the issue, the former Head of Politics and Strategy might have believed that it would help him advance in the hierarchy even though it entailed a transgression of the moral codes. However, whether the best course of action to rise in the hierarchy lies within the moral codes varies from culture to culture. Thus, it may be that the moral system and the hierarchy in the Danish municipalities are so related that both immoral and moral individuals will rise in the hierarchy. This has the result that the managerial levels will be a mixture of moral and immoral people, which is similar to the general population (ibid.). This can explain why there have been 12 legal investigations of official misconduct in the period examined and not more.

The above discussion indicates that the individual differences in guilt proneness also have some value in understanding official misconduct on a municipal level. These individual differences are not analysed in this thesis since it calls for another methodology as described in the discussion of an experimental study. Furthermore, this thesis adopts a view of human nature where all individuals are rational utility-maximisers who will follow their self-interest if they are not constrained by legal and/or moral institutions.

8.2.3. The optimal size for municipal systems

One of the most persistent questions in political thought is the question of the most optimal size within political systems (Blom-Hansen et al., 2014:790). The purpose of the following section is to discuss the optimal municipal size, involving the circumstances of official misconduct and placement of guilt.

The purpose of the municipal reform was, among others, to reduce expenses related to the municipal administration by achieving economies of scale (ibid. :791). Thus, municipal amalgamations have been used as a mean to achieve economies of scale (ibid.). The economics of scales are a U-shaped curve, showing that the optimal size of the municipal is where the marginal benefit of economics of scale is zero. Hence, the optimal size for municipal systems has traditionally been based on an economic approach.

Based on the analysis of this thesis, it is considered advantageous to consider conditions such as official misconduct and the placement of guilt in the discussion of the optimal size for municipal systems. The following section processes these areas.

The fact that all 12 cases of official misconduct within this thesis have occurred in large or medium size municipalities supports the fact that official misconduct should be considered in the discussion of the most optimal

municipal size. For instance, a positive correlation between the size of the municipalities and official misconduct was illustrated in the beginning of the analysis. The costs related to the legal investigations of official misconduct are estimated to more than 7.3 million DKK (Appx. 19). Therefore, it is worth discussing if the expenses related to official misconduct will affect the U-shaped cost curve in the calculation of the municipal amalgamations and thereby questioning the optimal size of local government. Furthermore, it is relevant to discuss if the amalgamation of the municipal units has created conditions in which it is difficult to place guilt. As mentioned in relation to the analysis of H7, when the size of the municipalities increases, the structures become more complex because many POs contribute to decisions, which makes it difficult to ascribe personal responsibility (Thompson, 1980). When it is difficult to ascribe personal responsibility, it is complicated to place guilt. This is due to the fact that guilt arises when one acts in a way that has adverse effects on others and when one is blamed for this act. Hence, it can be discussed if the challenges connected to the placement of guilt should be included in the considerations of the most optimal municipal size, as this might act as an institution decreasing instances of official misconduct.

8.3. The empirical foundation

8.3.1. The 13 municipalities rejecting the right of access to documents

In the section, the methodology of this paper will be revisited with the aim of discussing what impact the 13 rejections have had on the results of this thesis.

During the process of applying for access to documents, 13 municipalities rejected the application for access to documents. As described in 6.3. Case descriptions, there are several reasons that constitute the foundation for the rejection. Regarding the size of the 13 municipalities, they are distributed as follows; one large municipality, nine medium municipalities, and three small municipalities.

It can be reasoned that it is an unknown factor in relation to the empirical foundation, as it is not possible to comment upon whether there have been instances of official misconduct or not. Hence, it can be argued that it is a limitation of the study as it is not possible to get full insight into the sample being analysed. As the sample of this thesis is the Danish municipalities, it can be argued that because 13 municipalities rejected the application, it is not possible to get the full insight of our sample. By having data from all municipalities, this would strengthen the line of inquiry (Yin, 2018:44). However, the fact that the municipalities rejected the application also acts as an empirical foundation in relation to the discussion. This is, among other, exemplified in relation to municipalities rejecting the application with the argument of an inadequate system that does not allow them to search for instances

of official misconduct (Appx. 18-18L). It can be argued that this provides data about the systems of the municipalities, which is applied in the analysis where it is found relevant.

8.3.2. The purpose of conducting legal investigations

This section will discuss the purpose of legal investigations. First, the official purpose of legal investigations will be discussed in relation to the time span between the investigated behaviour and the investigation hereof. This part of the discussion further includes an economic perspective on the purpose of legal investigations. Second, it will be discussed whether legal investigations may have unofficial purposes. This part will discuss the legal investigations in relation to the trust in POs and blame avoidance strategies.

The official purpose of legal investigations

The purpose of a legal investigation is to examine and account for the actual circumstances and sequences of events as well as legally evaluate whether mistakes have been committed that give rise to accountability (Appx. 12:1). As stated in the analysis of H7, this is difficult because the legal investigation is often initiated several years after the investigated behaviour was initiated. This is summarised in Table 26.

Municipality	Case	Time between the official misconduct and the legal investigation
Copenhagen	CBY	4 years
	Arena CPHX	1 years
	Ringbo	6 years
Aarhus	AVA	2 years
	CME	3 – 4 years
	CBA	Minimum 1 year
Odense	BMF	3 years
	BKF	6 years
	BUF	0 years
	ArenaFyn	4 years
Høje-Taastrup	Taastrup Theatre	0 – 1 year

Table 26: Time between official misconduct and the legal investigation

The time span between the initiated corrupt behaviour and the legal investigation hereof not only makes it difficult to assess whether accountability can be placed. In some instances, it may even have the consequence that accountability cannot be claimed because it is obsolete. For example, there must be particular reasons, such as very critical circumstances, in order to place accountability for violations that happened five years earlier

(Moderniseringsstyrelsen, 2017). This raises the question of whether it is possible to accomplish the purpose of placing accountability in relation to the investigated official misconduct when a considerable number of the legal investigations are conducted several years after the initiation of the behaviour. This issue is evident in the CBY case from Copenhagen where the Unit Manager had secondary occupation and received payment for this. Based on the legal investigation, it was concluded that the corrupt behaviour could not lead to any sanctions related to employment law because the violations happened three years earlier (Appx. 6:125). Thus, the legal investigation did accomplish the purpose of placing accountability, but it did not lead to any consequences for the guilty. Thus, it can be questioned why a legal investigation is initiated to place guilt when it in fact has no consequences for the guilty.

The second purpose of legal investigations is to examine and account for the actual circumstances and sequences of events. However, it can be questioned whether it is possible to account for events that took place several years before the investigation is conducted. This issue is evident in the AVA, CME, and BKF cases. In these cases, it was not possible to obtain all the information relevant to account for sequences of events leading to the investigated behaviour that took place 2, 3-4, and 6 years earlier, respectively (Appx. 9; Appx. 10; Appx. 13). This is exemplified in relation to the CME case, where the legal report states:

“The investigation conducted on the tendering processes in CME has been characterised by the fact that this is an investigation of a fact which in many cases has taken place far back in time, and where the relevant people who could shed light on facts no longer are employed in Aarhus. This has had as a natural consequence the fact that it has been very difficult to completely uncover the actual events and considerations that have been made in connection with the individual contracting, which has further had the consequence that in many cases no firm conclusions in relation to compliance with the tender rules could be made.” (Appx. 10:4).

The quote illustrates how the time span between the investigation and the investigated behaviour hindered the account of events, which affected the quality of the conclusions. Thus, the legal investigations in the AVA, CME and BKF cases did not fully accomplish the official purpose of accounting for sequences of events. This further hinders the placement of accountability.

When it may be that legal investigations do not achieve the official purposes or lead to consequences for the guilty, it becomes relevant to consider the costs of initiating such legal investigations.

Costs of legal investigations

As described in the analysis of H1, official misconduct increases the external costs for other individuals in the collective unit, such as the citizens. It is contrary to the interest of the public that the accused POs neglect their duties to pursue private gain, which is strengthened by the fact that public funds are later spent to investigate this behaviour. During the period examined in this thesis, the empirical foundation elucidates that the five municipalities spent 7,376,772.54 DKK on investigating 12 instances of official misconduct (Appx. 19). The question is whether such a potential increase in the external costs makes it more rational for the citizens to privatise some collectivised activity. As described in chapter 4, Theoretical foundation, the individual will organise an activity collectively if he expects that it will increase his utility by decreasing the external costs imposed upon him in private choice (Buchanan & Tullock, 1962:43). When considering institutional and constitutional change, such as privatising or collectivising activity, the rational individual should try to minimise the interdependence costs, which is the sum of the external costs and decision-making costs (ibid.:46). Thus, if the official misconduct increases the external costs to an extent that increases the interdependence costs of the present institutional design, it may be that the citizens can minimise the interdependence costs by privatising some activities. However, in relation to this, it is important to emphasise that the costs associated with official misconduct constitute a fraction of the municipalities' total budget (Appx. 21). Thus, it may take far more instances of official misconduct before the costs associated with the legal investigations hereof increase the interdependence costs to an extent where it is rational for the citizens to privatise some collectivised activity.

Even though the costs of the legal investigations only constitute a fraction of the municipalities' total budget, it is still relevant to discuss whether there are other purposes of requesting a legal investigation. When it may be that legal investigations cannot fully achieve the official purpose, they must be legitimised in relation to other purposes since they are paid for with public funds. Such unofficial purposes are discussed next.

Unofficial purposes of legal investigations

Trust in public officials

It can be discussed whether the legal investigations are initiated to maintain or improve the citizens' trust in the POs and thus the public sector. As described in chapter 1, Introduction, the high level of trust in Denmark is an essential part of the social contract, which may be threatened by official misconduct. Thus, by initiating legal investigations of official misconduct, it may send a signal to the citizens that official misconduct is taken seriously and will not pass unnoticed. Furthermore, instead of trying to avoid confrontation in relation to potential unethical behaviour by letting it pass, the initiation of a legal investigation upholds the transparency, which is an important

element of the high level of trust in Denmark (Andreasson, 2017). Furthermore, the initiation of legal investigations may also send a signal to other POs reminding them of the moral codes in the municipality and thus constraining potential pursuit of private gain (Buchanan & Tullock, 1962:27).

Legal investigations as a blame avoidance strategy

It can also be discussed whether the request of legal investigations is a strategy to avoid guilt. As apparent in the analysis of H7, the accused POs employed different blame avoidance strategies when confronted with their unethical behaviour as part of the legal investigations. Thus, it was illustrated how the potential placement of guilt affects the POs' behaviour. When suspicions of unethical behaviour arise, the management may fear that they will be held accountable for their subordinates' unethical behaviour because they can be accused of not taking responsibility in time (Sløk, 2014:11). In order to avoid such guilt, they may request a legal investigation to uncover the sequences of events and to assess whether accountability can be placed. This may send a signal that the management is taking responsibility and thus, that they cannot be blamed for not taking action. If such drivers underlie legal investigations, it can be argued that requests of legal investigations are a blame avoidance strategy employed by managing POs to affect the perceived responsibility component of blame (Hood, 2011:67). Thus, the requests of legal investigations can be added to Hood's examples of agency strategies (ibid.). Agency strategies are not concerned with decreasing the perception of harm as a result of unethical behaviour. Instead, agency strategies are employed to deflect or limit blame (ibid.). If legal investigations are requested by managing POs to signal that they are taking responsibility for the actions of their subordinates who behaved unethically, it indicates an attempt to deflect blame onto these subordinates.

To sum up the above discussion of the purpose of legal investigations, it is problematised that the legal investigations not always achieve their official purposes of accounting for sequences of events and identifying accountability. Furthermore, even if accountability is identified, it may not lead to any consequences for the guilty because of the time span between the investigated behaviour and the legal investigation. Thus, it is discussed whether legal investigations may serve other unofficial purposes, such as ensuring the public's trust in the public sector, that can justify the fact that public funds pay for the investigations. However, it is also discussed whether the legal investigations are a blame avoidance strategy employed by managing POs in order to deflect guilt onto other POs.

9. Implications for practitioners

This section will present some of the implications that the conclusions from the analysis have for practitioners. In this case, we consider the practitioners as being managers at different levels in the Danish municipalities.

In the analysis, it was concluded that the expectation of guilt makes it less rational to engage in official misconduct. As a result, we argued that official misconduct can be minimised if guilt is incorporated in the institutions surrounding the POs. Three recommendations of how to do this will be presented in this section. The recommendations stem from an external view where it is believed that people act in the way they do because of external forces that operate on the person (Pendse, 2012). This is contrary to an internal view where it is believed that internal forces, such as a person's parental upbringing, education, and personality, are the primary causes of a person's behaviour (ibid.). The external view is also consistent with the main view of human nature adopted in this thesis where individuals are assumed to pursue private gain if not constrained by moral and legal institutions (Buchanan & Tullock, 1962:27). This entails that the question becomes how to design institutions that will function even if the political actors are motivated by ambition rather than the public interest (Munger, 2015). The recommendations presented further below are an attempt to provide some answers to this question.

Kish-Gephart et al. (2010) note that there often is an overlap between illegal and unethical behaviour in organisations. The investigated phenomenon, official misconduct, is an example of such an overlap. Because of this overlap, Pendse (2012) applies aspects from criminal behaviour to understand unethical behaviour. More specifically, Pendse applies the concept that a criminal commits a crime because he has a motive, means, and opportunity to do so. Thus, when organisations want to reduce or prevent unethical behaviour, they may focus on ways to remove the motive, means, or opportunities (Pendse, 2012). Each recommendation will be aimed at reducing the motive, means, and opportunities, respectively.

9.1. Limiting the motive

The analysis of H6 stating that awareness of ethics moderates the relationship between the POs' self-interested behaviour and official misconduct was characterised by several non-findings and was falsified. However, after analysing the effect that guilt may have on POs' behaviour in the analysis of H7, awareness of ethics may still play an important role in limiting the motive for committing official misconduct.

Research shows that contextual cues from the environment can be an important determinant of how employees emotionally react to failure (Bohns & Flynn, 2013). Bohns and Flynn (2013) define the environment "*as a set of*

external cues characteristic of an employee's work setting from which the employee draws information that can be used to interpret each new situation." (ibid.:1163). Thus, after a failure, the focal employee will look to his environment for cues informing him of how to interpret the situation. As a result, Bohns & Flynn (2013) propose that the environmental cues that employees use to make attributions for situations may alter an employee's emotional appraisal following a failure. Code of conducts and similar guidelines can work as such environmental cues. Such guidelines describe how the POs shall perform their work. Thus, when behaving in an undesired way, the code of conduct and other guidelines can work as a cue reminding the PO that he violated the guidelines (Zamir & Sulitzeanu-Kenan, 2018). This may elicit the feeling of guilt in the PO, which will motivate him to confess, apologise, and atone for his past miscues (Bohns & Flynn, 2013). However, codes of conduct and similar guidelines can only work as such environmental cues if the POs are aware of them and reminded of them (Zamir & Sulitzeanu-Kenan, 2018). Thus, we recommend that the managers continuously make sure that their subordinates are aware of the code of conduct and other relevant guidelines and if such guidelines do not exist, we recommend that they are prepared.

In the above argumentation, the code of conduct and other relevant guidelines work in a way that inform a PO that he has already behaved unethically. POs' awareness of the code of conduct and similar guidelines can also have a preventive effect. As described in the analysis of H7, POs may use different strategies to avoid guilt (Hood, 2011). POs are more motivated to engage in efforts to avoid guilt, the more likely they think that guilt will occur and the more serious the consequences will be for them if they do come to be blamed (Hood, 2011:8). We argue that codes of conduct and similar guidelines can affect the perception of the seriousness of the consequences of being blamed. The effects on the perception of the likelihood of being blamed will be elaborated in the two sections below. If the POs do not know what the consequences will be if they behave in an undesired way, it becomes difficult for them to perceive the seriousness of those consequences. We recommend that the internal guidelines applying to different aspects of the POs' work are prepared in a way where it is described that it will have consequences if one violates the guidelines but also what consequences it will have. This will affect the PO's perception of the seriousness of the consequences resulting in his compliance with the guidelines (ibid.:93). In accordance with the above recommendation, the POs should continuously be reminded of these guidelines.

The code of conduct and similar guidelines can work as moral reminders that are a useful tool to reduce and prevent unethical behaviour in the municipalities (Belle & Cantarelli, 2017). Thus, the recommendations may create an ethical climate in which organisational values are articulated and taken into consideration when making decisions (Pendse, 2012). The expectation that unethical behaviour will lead to serious consequences will limit the PO's motive for engaging in the specific behaviour.

9.2. Reducing the means

The POs' means to commit official misconduct can be their sources of power that give them the ability to behave unethically but also their specific knowledge of how to get away with their unethical behaviour (Pendse, 2012). These aspects were touched upon in the analysis of H5 stating that POs' overconfidence positively correlates with official misconduct. This analysis investigated the accused POs' position in the hierarchy and their seniority.

A way to reduce the POs' means to commit official misconduct is to implement a system that increases the likelihood of discovering the unethical behaviour, e.g., a whistle-blower system (Pendse, 2012). As described in the analyses of H1 and H2, such an information system can curb the POs' opportunism (Eisenhardt, 1989). Thus, we recommend manging POs to consider implementing an electronic whistle-blower system, if they do not already have one. When a PO knows that his colleagues can report his unethical behaviour anonymously, his colleagues become a kind of principal that can monitor his behaviour, which reduces his means to commit official misconduct because it becomes more difficult to get away with it (Eisenhardt, 1989). Thus, such a system makes it more likely that the PO will be blamed for his unethical behaviour. We recommend an electronic whistle-blower system since this increases the anonymity of the whistle-blower. If it is not possible to report anonymously, most subordinates will be reluctant to report unethical behaviour because they may fear the consequences (Pendse, 2012).

9.3. Reducing opportunities

When the institutions surrounding the POs are not formed in a way that curb their opportunism, the POs have the opportunity to pursue their self-interest (Buchanan & Tullock, 1962:27). This was observed in the analysis of H2 where it was analysed that the distance between POs and citizens positively correlates with the POs' self-serving behaviour. It was analysed that the distance makes it difficult to control and verify the POs' behaviour, which allows for them to pursue their self-interest (Eisenhardt, 1989).

One way to reduce the opportunities to behave unethically is to increase the transparency of the organisation, both internally and externally (Pendse, 2012). The impact of technology has enabled greater transparency in evaluating businesses, institutions, and organisations (ibid.). Furthermore, transparency is an important element of the Danish democracy and the high level of trust in the social contract, as described in chapter 1, Introduction (Andreasson, 2017). Thus, we recommend that the Danish municipalities implement a system that registers instances of official misconduct or improves an already existing system. This recommendation arises from the experience of applying for access to documents. As described in the 5.1.1. Data collection method, a civil servant from Copenhagen informed us that they do not register official misconduct in their internal system. The same applies to the following municipalities that rejected the application because of the lacking registration or the disproportionate use of

resources required to meet the application: Aalborg, Randers, Glostrup, Greve, Hvidovre, Lejre, Næstved, Svendborg, Syddjurs and Struer.

The recommendation is believed to have a preventive effect. The implementation of such a system makes it easier for the citizens to gain access to documents, which increases the transparency of how the POs perform their work. Even though the citizens may not actually apply for access to documents, it still makes it possible for them to control and verify the POs' behaviour. As a result, it is easier for the citizens to hold the POs accountable for their actions, which decreases the distance between the POs and citizens. As described in the analyses of H1 and H2, an increased distance between the POs and citizens makes it more difficult for the citizens to control the POs' behaviour, which allows for the POs to pursue their self-interest. Thus, the implementation or improvement of such a system discourage the use of potential opportunities for engaging in unethical behaviour that may lead to official misconduct (Pendse, 2012).

We argue that the implementation of one or more of the above recommendations can incorporate guilt in the moral institutions surrounding the POs. This necessitates some comments on ethical concerns about using a negative emotion like guilt as a tool to curb agents' opportunism. Even though research shows that guilt can be a constructive feeling, research also shows that extreme levels of guilt can lead to psychological distress, resulting in the fact that guilt becomes maladaptive instead of adaptive (Bohns & Flynn, 2013). Furthermore, if the POs feel that their managers are intentionally manipulating them by appealing to their guilty consciences, they may perform worse (*ibid.*). These negative consequences can be avoided by implementing the constructive organisational practices recommended above (*ibid.*).

10. Implications for further research

In the section below, the boundaries of this thesis will be elaborated in relation to further research. The questions raised as a result of the conclusions will be revisited, as further research within these areas will contribute greatly to this field. The relevant areas will be unfolded in the following sections. First, it will be specified how a supplementary analysis could uncover the guilt proneness among POs. Second, it will be outlined how the use of data triangulation could be a contributing factor with regards to strengthening the construct validity. Last, we will argue for research on how other moral emotions might affect official misconduct.

10.1. The use of data triangulation to reduce non-findings

A relevant point for future research is to learn from the non-findings of our study in order to improve upon the design of further research.

The empirical foundation is primarily based on the legal reports and legal bills and is therefore related to some limitations leading to several non-findings. From the analysis 39, non-findings were identified across the hypotheses and hence it has appeared as an unknown variable in relation to the analysis. With regards to these non-findings, it would be advantageous to supplement the further research with another type of data. By using data triangulation, it would address the non-findings and contribute to a further distinction of the behaviour leading to official misconduct. Furthermore, the use of different data sources would strengthen the construct validity by possibly leading to less non-findings (Yin, 2018:42). In addition, it might increase the generalisability of the hypotheses if they cannot be falsified (Egholm, 2014:81). Another data source which could be advantageous to use is self-reports. Data from self-reports can act as the empirical foundation to further analyse the causes behind official misconduct at an individual level, as well as determining whether guilt can minimise the behaviour, and possibly determining the scope of the behaviour. Another way to include other data sources is to conduct an experimental design. This would create the possibility of testing whether there is a causal relationship between the guilt and official misconduct, as indicated in the analysis. However, as described previously, experimental designs often remove the context from the investigated object, which could also generate some disadvantages, as the subject of official misconduct is a complex and multifaceted phenomenon.

In the analysis, H4 and H6 were falsified as they were falsified in one case and three cases, respectively. However, the hypotheses are not falsified to a degree that can be presumed final, but instead it is argued that there is a need for further research. According to Karl Popper, if the hypothesis is falsified, the generalisability decreases (Egholm, 2014:81). Hence, H4 and H6 can explain official misconduct in some cases. By taking context-delineating variables into account, we might be able to explore the theoretical boundaries (Busse et al., 2017). Hence by including other theory, we might be able to explain present factors that influence the relationship.

10.2. Proneness to guilt among public officials

As concluded from the analysis, guilt moderates the relationship between POs' self-interested behaviour and official misconduct. Furthermore, as elaborated in the discussion, individuals differ in their proneness to guilt (Tangney, 1990). Additionally, it is discussed whether there is a low general moral level among the bureaucrats that have reached the top of the structure, as they are more likely to advance in the hierarchy (Tullock, 1965:22). In relation to this, it would be of relevance to investigate the proneness to guilt among POs. By studying how

prone to guilt is distributed among POs, it would contribute to the conclusions of this thesis by uncovering the relationship between prone to guilt and hierarchical levels in the public sector. Specifically, the distribution of prone to guilt among POs is relevant to the conclusion of this thesis in order to evaluate how guilt should be incorporated in the moral institutions. The prone to guilt could be uncovered by analysing a data sample consisting of POs at different levels of the hierarchy. This could be done by distributing a questionnaire and/or personality test. For instance, a connection between the five-factor model and prone to guilt has been identified (Einstein & Lanning, 2002). Thus, it would be possible to conduct a personality test to partly uncover this specific condition.

Studying individual differences of guilt might be contrary to a PCT framework, arguing that choice-making is motivated by utility maximisation, which is only constrained by moral and legal institutions (Buchanan & Tullock, 1962:30). Following, they do not propose to take a position on the moral question regarding what variables that should enter into the individual's utility function when he participates in social choice (ibid.) However, it can be argued that studies of guilt prone to guilt would contribute to the field of how and why guilt can moderate official misconduct.

10.3. Research on the effect of shame

In the theoretical foundation, it is emphasised that it is useful both theoretically and empirically to distinguish between guilt and shame (Tangney, 1991). The latter is defined “*as an emotion that arises when one appraises a threat to the self for falling short of an important standard tied to one's identity.*” (Daniels & Robinson, 2019). Hence, shame involves a negative evaluation of the self, applying to the persona instead of an isolated situation (ibid.). Both guilt and shame are perceived as moral emotions linked to the interests of other people, hence motivating prosocial behaviour (Hooge et al., 2008). In this thesis, the focus is on the effects of guilt. However, it has been demonstrated that shame can also have positive consequences for interpersonal behaviour (ibid.). Shame can act as a commitment device, motivating individuals to act prosocially, which benefits others and improves social relationships (Hooge et al., 2008). Shame motivates prosocial behaviour when its experience is relevant for the task at hand (ibid.). Hence, it could be relevant to further research if shame also has a constructive function in relation to official misconduct.

11. Conclusion

The following conclusion will answer the research question: *Can guilt minimise official misconduct?*

Before being able to answer the research question, we must first answer the two sub-questions. The conclusion in relation to the first sub-question concerning how public officials' decision-making is affected in relation to official misconduct, the conclusion consists of two complementary elements. First, in regard to H1-H3, it is concluded that the public officials' decision-making is affected by the surrounding institutions. When the size of the municipality increases, it becomes more difficult to estimate costs and benefits of a decision resulting in a lower sense of decision-making responsibility. Furthermore, it becomes more difficult to verify the public officials' behaviour. These two aspects increase the distance between the public officials and citizens. As the distance increases, it becomes more difficult to control whether the public officials act in accordance with the public interest, which creates the opportunity for the public officials to pursue private gain. Thus, it is concluded that the public officials' self-interested behaviour leads to official misconduct. Second, based on the analyses of H4–H5, it is concluded that the public officials' decision-making in relation to official misconduct is affected by their bounded rationality. It is concluded that the public officials' satisficing behaviour moderates the degree of official misconduct even though H4 is falsified in relation to one case. The accused public officials choose the options that are characterised as being good enough by limiting the monetary gain and/or the scope of their actions. Furthermore, it is concluded that the accused public officials' seniority or position at the managerial level affect their decision-making by making them prone to overconfidence, leading to risk-seeking behaviour. This risk-seeking behaviour leads to official misconduct. H6 is falsified, which leads to the conclusion that the public officials' decision-making is not affected by an awareness of ethics.

The second sub-question concerns how guilt affects the public officials' behaviour in relation to official misconduct. It is concluded that there are more instances of official misconduct in the large municipalities because it is more difficult to place guilt in these since they are more complex organisations compared to small municipalities. The public officials accused of official misconduct use different strategies aimed at justifying their behaviour and thus, disclaim the allegations against them in order to avoid guilt. The public officials in the small municipalities will avoid guilt by not engaging in official misconduct since it is easier to place guilt in these municipalities.

Based on the above, it is concluded that guilt can minimise official misconduct insofar it is incorporated in the surrounding institutions. This will constrain the public officials' pursuit of private gain and will motivate them to behave in normative ways in order to avoid guilt.

12. References

- Aguilera, R. V., & Vadera, A. K. (2008). The dark side of authority: Antecedents, mechanisms, and outcomes of organizational corruption. *Journal of Business Ethics*, 77(4), 431–449.
- Alm, J., & Bourdeaux, C. J. (April 2014). Applying Behavioral Economics to the Public Sector. *Tulane Economics Working Paper Series*, s. 1-54.
- Amore, M., & Bennedsen, M. (2013). The value of local political connections in a low-corruption environment. *Journal of Financial Economics* (110), p. 387–402.
- Andvig, J. C., Fjeldstad, O. H., Amundsen, I., Sissener, T., & Søreide T. (2001). *Corruption. A review of contemporary research*. Bergen: Chr. Michelsen Institute.
- Andreasson, U. (2017). Tillid - det nordiske guld. Nordiske Ministerråd
- Ankersborg, V. (2011). *Specialeprocessen: Tag magten over dit speciale!* København: Samfundslitteratur.
- Ayal, S., & Gino, F. (2011). Honest Rationales for Dishonest Behavior. I M. M. Shaver, *The Social Psychology of Morality: Exploring the Causes of Good and Evil* (s. 1-26). Washington, DC: American Psychological Association.
- Belle, N. & Cantarelli, P. (2017). What Causes Unethical Behavior? A Meta-Analysis to Set an Agenda for Public Administration Research. *Public Admin Rev*, 77: 327-339.
- Bergh, A., Fink, G. & Öhrvall, R. (2017). More politicians, more corruption: evidence from Swedish municipalities. *Public Choice* 172: 483.
- Blom-Hansen, J., Houlberg, K., & Serritzlew, S. (2014). Size, Democracy, and the Economic Costs of Running the Political System. *American Journal of Political Science*, 58(4), 790-803.
- Boettke, P. J. (2007). Maximizing behavior & market forces: the microfoundations of spontaneous order theorizing in Gordon Tullock's contributions to Smithian political economy. *Public Choice* (135), p. 3-10.
- Bohns, V., & Flynn, F. (2013). Guilt by Design: Structuring Organizations to Elicit Guilt as an Affective Reaction to Failure. *Organization Science*, 24 (4), p. 1157–1173.
- Bonderup, Thomas Nørtoft (2012): kap. 7: Læring og evaluering i og af projekter. I: Andersen, Henrik Schelde & Katrine Raae Søndergård (red.) *Systemisk Projektledelse*. Samfundslitteratur.
- Bryman, A., & Bell, E. (2015). *Business Research Methods* (4 udg.). Oxford University Press, ch. 15
- Buchanan, J. M. (1975). *Limits of Liberty: Between anarchy and leviathan*. The University of Chicago Press, ch. 5.
- Cambridge Dictionary. *Accountability*. Retrieved April 2019 from Cambridge Dictionary: <https://dictionary.cambridge.org/dictionary/english/accountability>
- Caiden, G. E., & Caiden, N. J. (1977). Administrative corruption. *Public Administration Review*, 37(3), 301-309.

- Camerer, C. (1999). Behavioral economics: Reunifying psychology and economics. *Proceedings of the National Academy of Sciences*, 96(19), 10575-10577. doi:10.1073/pnas.96.19.10575
- Christoffersen, H. (2013). *Det mindst ringe - om demokratiet i velfærdsstaten* (1 udg.). Multivers ApS, p. 78-92
- Conlisk, J. (1996): Why Bounded Rationality? *Journal of Economic Literature*, 1996, vol. 34, pp. 669-700.
- Daniels, M. A., & Robinson, S. L. (2019). The Shame of It All: A Review of Shame in Organizational Life. *Journal of Management*.
- Dansk Journalistforbund. *Aktindsigt*. Retrieved February 2019 from Medier og Kommunikation: <https://journalistforbundet.dk/aktindsigt>
- Dansk Journalistforbund. (u.d.). *Sådan anmoder du om aktindsigt*. Retrieved February 2019 from Medier & Kommunikation: <https://journalistforbundet.dk/sadan-anmoder-du-om-aktindsigt>
- Darmer, P., Jordansen, B., Madsen, J. A., & Thomsen, J. (Red.) (2015). *Paradigmer I Praxis: Anvendelse af metoder til studier af organiserings- og ledelsesprocesser*. København: Handelshøjskolens Forlag., pp. 37-65, 283-295
- Downs, A. (1957). *An Economic Theory of Democracy*. Harper and Row, New York.
- Downs, A. (1967). *Inside Bureaucracy*. Boston: Little, Brown and Company, ch. 1
- Egholm, L. (2004). *VIDENSKABSTEORI: Perspektiver på organisationer og samfund* (1. Udgave, 2. oplag). København: Hans Reitzels Forlag., pp. 18-36, 51-90
- Einstein, D., & Lanning, K. (2002, January 04). Shame, Guilt, Ego Development and the Five-Factor Model of Personality.
- Eisenhardt, K. (1989). Agency Theory: An Assessment and Review. *The Academy of Management Review*, 14(1), 57-74.
- Eisenhardt, K. M., (1989). Building theories from case study research. *Academy of management review*, 14(4), 532-550.
- Encyclopædia Britannica. (11. April 2019). *Frank Hyneman Knight*. Retrieved 29 April 2019 from Encyclopædia Britannica: <https://www.britannica.com/biography/Frank-Hyneman-Knight>
- E.V., T. I. (n.d.). Corruption Perceptions Index 2018. Retrieved from <https://www.transparency.org/cpi2018>
- Fan, C., Lin, C., & Treisman, D. (2009). Political decentralization and corruption: Evidence from around the world. *Journal of Public Economics* (93), p. 14-34.
- Farras, M. J. (2005). *What is corruption. A history of corruption studies and the great definitions debate*. San Diego: University of California.

- Flyvbjerg, B., (2006). Five misunderstandings about case-study research. *Qualitative inquiry*, 12(2), 219-245.
- Gibbert, M., Ruigrok, W., & Wicki, B. (2008). What Passes as a Rigorous Case Study? *Strategic Management Journal*, Vol. 29, No. 13, pp. 1465-1474.
- Gorsira, M., Denkers, A., & Huisman, W. (2016). Both Sides of the Coin: Motives for Corruption Among Public Officials and Business Employees. *Journal of Business Ethics*, 151(1), 179-194.
- Graaf, G. D., & Huberts, L. W. (2008). Portraying the Nature of Corruption Using an Explorative Case Study Design. *Public Administration Review*, 68(4), 640-653.
- Hood, C. (2007). What happens when transparency meets blame-avoidance? *Public Management Review*, 9(2), 191-210. doi:10.1080/14719030701340275
- Hood, C. (2014). *Blame game: Spin, bureaucracy, and self-preservation in government*. Hoboken, NJ: John Wiley & Sons.
- Hooge, I. E., Breugelmans, S. M., & Zeelenberg, M. (2008). Not so ugly after all: When shame acts as a commitment device. *Journal of Personality and Social Psychology*, 95(4), 933-943.
- Houlberg, K., (2011). Administrative stordriftsfordele ved kommunalreformen I Danmark. Sandede eller tilsandede?. *Scandinavian Journal of Public Administration* 15(1): 41-61.
- Houlberg, K., (2000). Kommunale stordriftsfordele – hvor finder vi dem og hvor store er de? AKF Forlaget, 1-13.
- Ketelaar, T., & Au, W. T. (2003). The effects of feelings of guilt on the behaviour of uncooperative individuals in repeated social bargaining games: An affect-as-information interpretation of the role of emotion in social interaction. *Cognition and Emotion*, 17(3), 429-453.
- Kish-Gephart, J., Harrison, D., & Trevino, L. (2010). Bad Apples, Bad Cases, and Bad Barrels: Meta-Analytic Evidence About Sources of Unethical Decisions at Work. *Journal of Applied Psychology*, 95 (1), p. 1-31.
- Knight, F. H. (1921). *Risk, Uncertainty and Profit*. Cornell University Library, ch. 7
- KL. (2017). *Det politiske arbejde i kommunalbestyrelse og udvalg*.
- Meier, K. J., & Holbrook, T. M. (1992). "I Seen My Opportunities and I Took Em:" Political Corruption in the American States. *The Journal of Politics*, 54(1), 135-155.
- Moderniseringsstyrelsen. (2017). *God adfærd i det offentlige*.
- Montinola, G. R., & Jackman, R. W. (2001). Sources of Corruption: A Cross-Country Study. *British Journal of Political Science*, 32(01).
- Munger, M. C. (2015). Public Choice Economics. In J. D. Wright, *International Encyclopedia of the Social & Behavioral Sciences* (2nd edition, p. 534-539). Elsevier Ltd.

- Liu, X., Stoutenborough, J., & Vedlitz, A. (2016). Bureaucratic expertise, overconfidence, and policy choice. *Governance*, 30(4), 705-725.
- Jensen, M. F. (2013). *Korruption og embedsetik: Danske embedsmænds korruption i perioden 1800 til 1866*. Odense: Syddansk Universitetsforlag., pp. 13-56
- Jensen, T. K. (2016). Fra Atea til Rigspolitiet: Forstå korruptionssagen på tre minutter. Retrieved Marts 8, 2019, from <https://www.dr.dk/nyheder/indland/fra-atea-til-rigspolitiet-forstaa-korruptionssagen-paa-tre-minutter>
- Jespersen, K. (2017): korruption i Den Store Danske, Gyldendal. Retrieved 4. marts 2019 from <http://denstoredanske.dk/index.php?sideId=110283>
- Kahneman, D. and Tversky, A. (1974): *Judgment under uncertainty: Heuristics and biases*. Science, vol. 185, no. 4157, pp. 1124-1131.
- Knudsen, C. (2011): Økonomisk Psykologi. Samfundslitteratur, 2011, 1. edition., pp. 17-31: 39-45
- Popper, K. R., & Popper, K. R. (2005). *The logic of scientific discovery*. London: Routledge., pp. 3-26.
- Pendse, S. G. (2012). Ethical Hazards: A Motive, Means, and Opportunity Approach to Curbing Corporate Unethical Behavior. *Journal of Business Ethics* , 107 (3), p. 265-279.
- byggetilladelse.nu. (2018). Retrieved March, 2019, from <http://byggetilladelse.nu/priser/>
- Rose-Ackerman, Susan (1999). Corruption and Government: Causes, Consequences, and Reform. *Cambridge University Press*
- Simon, H. A. (1997). *Administrative behavior: A study of decision-making processes in administrative organisations* (4th ed.). New York: Free Press., pp. 72-122
- Sløk, C. (2014). *Blod, sved og tårer: Om ansvar og skyld i ledelse*. København: Jurist- og Økonomforbundets Forlag.
- Smith, Adam (1776). *An Inquiry into the Nature and Causes of the Wealth of Nations*. Edited by S. M. Soares. MetaLibri Digital Library, 29th May 2007
- Smith, A. (1759)[1976]. *The Theory of Moral Sentiments*. (Edited by D. Raphael & A. Macfie) Indianapolis: Liberty Fund Inc.
- Spencer, J. (2010). Policemen Behaving Badly – the Abuse of Misconduct in Office. *The Cambridge Law Journal*, 69(3), 423-465.
- Sulitzeanu-Kenan, R. (2010). Reflection in the Shadow of Blame: When Do Politicians Appoint Commissions of Inquiry? *British Journal of Political Science*, 40(3), 613-634.
- Tangney, J. P. (1990). Assessing Individual Differences in Proneness to Shame and Guilt: Development of the Self-Conscious Affect and Attribution Inventory. *Journal of Personality and Social Psychology* , 59 (1), p. 102-111.

- Tangney, J. P. (1991). Moral affect: The good, the bad, and the ugly. *Journal of Personality and Social Psychology*, 61(4), 598-607.
- Tanzi, V. (1998). Corruption around the world—Causes, consequences, scope, and cures. *International Monetary Fund Staff Papers*, 45(4), 559–594.
- Teateravisen. (8 April 2012). *Mogens Holm stopper på Taastrup Teater*. Retrieved April 2019 from Navne & Noter: <http://www.teateravisen.dk/mogens-holm-stopper-paa-taastrup-teater.html>
- Thachuk, K. (2005). Corruption and international security. *SAIS. Review of International Affairs*, 15(1), 143–152.
- The Ministry of the Interior and Health. (2004). *Aftale om strukturreform*. The Ministry of the Interior and Health.
- The Ministry of the Interior and Health. (2007). *The local government reform*. The Ministry of the Interior and Health.
- Thompson, D. F. (December 1980). Moral Responsibility of Public Officials: The Problem of Many Hands. *The American Political Science Review*, 74 (4), p. 905-916.
- Tranfield, D., Denyer, D., & Smart, P. (2003). Towards a Methodology for Developing Evidence-Informed Management Knowledge by Means of Systematic Review. *British Journal of Management*, 14(3), 207-222.
- Transparency International. (2018). <https://www.transparency.org/glossary>. Retrieved: 10/03/2019
- Tullock, G. (1965). *The Politics of Bureaucracy*. University Press of America, ch. 2;19
- Vaubel, R. (2006). Principal-agent problems in international organizations. *The Review of International Organizations*, 1 (2), p. 125-138.
- Weaver, R. (1986). The Politics of Blame Avoidance. *Journal of Public Policy*, 6(4), 371-398.
- Yin, R.K., (1981). The case study crisis: Some answers. *Administrative science quarterly*, Vol. 26, No. 1 (Mar., 1981), pp. 58-65
- Yin, R.K. (1994), *Case Study Research: Design and Methods*, Thousand Oaks, CA: Sage Publications.
- Yin, R. K., D. T. (2018). *Case study research and applications: Design and methods* (6th ed.). Thousand Oaks, CA: SAGE Publications.
- Zamir, E., & Sulitzeanu-Kenan, R. (2017). Explaining Self-Interested Behavior of Public-Spirited Policy Makers. *Public Administration Review*, 78(4), 579-592.

13. Dictionary of essential words/phrases in the thesis

Access to Public Administration Files act:

Offentlighedsloven

Act of friendship: vennetjeneste

Administrative Director: administrative direktør

Administrative laws: forvaltningsretlige regler

Agency: styrelse

Application for access to documents:

aktindsigtsanmodning

Centre for Buildings: Center for Bygninger

Chief Advisor: Chefkonsulent

Children and Adult administration: Børn- og Ungeforvaltningen

Citizen Advisor: borgerrådgiver

Conditions judged by the court: domsvilkår

Conditions of employment: ansættelsesforhold

Consultation process: høringsproces

Department for Technic and Environment:

Teknik- og Miljøafdelingen (TMF)

Dereliction of duty: tjenesteforsømmelse

Downtime: tidsrum hvor en maskine er ude af drift

Employee representative: medarbejderrepræsentant

Enforcement notice: indskærpelse

EU tender: EU-udbud

Finance committee: Økonomiudvalget

Financial administration: Økonomiforvaltningen

Governor: Statholder

Head of Centre: centerchef

Head of Department: afdelingschef

Head of Legal Affairs: chefjurist

Head of Office: kontorchef

Head of Secretariat: sekretariatschef

Head of Section: fuldmægtig

Immediate improvement notice: strakspåbud

Legal incapacity: inhabilitet

Legally incapable: inhabil

List of documents: aktlister

Local laws: kommunalretlige regler

Lord Mayor: Overborgmester

Managers of offers of accommodation:

botilbudsledere

Mayor: borgmester

Municipal Chief Executive:

Stadsdirektør/Kommunaldirektør

Offers of accommodation: botilbud

Official dressing-down: tjenstlig samtale

Official liability: tjenstligt ansvar

Official misconduct: embedsmisbrug

Public officials: embedsmænd

Public procurement directive: udbudsdirektiv

Public tenders act: tilbudslov

Regional state administration: Statsforvaltningen

Regulative for municipalities' expenses and

accounting: kommunens regnskabs- og kasseregulativ

Reich Chancellor: rigskansler

Right of access to documents: aktindsigt

Rules relating to administration and local

authority: forvaltningsretlige og kommunalretlige regler

Secondary occupation: bibeskæftigelse

Secret commission: returkommission

Social services committee: socialudvalget

Social services department: Socialforvaltningen

Special Advisor: specialkonsulent

State county: statsamt

Statutory basis: hjemmelsgrundlag

The Agency for Modernisation:

Moderniseringsstyrelsen

The culture and leisure administration: Kultur- og Fritidsforvaltningen

The Danish Working Environment Authority:

Arbejdstilsynet

The Sound Tolls: Øresundstolden

Union for Danish social workers: Dansk socialrådgiverforening

Unit Manager: enhedschef

Working environment organisation:

arbejds miljøorganisation

14. Overview of appendices

Appendix nr.	Subject
Appendix 1:	E-mail to Kommunernes Landsforening
Appendix 2:	Application rejected – Hvidovre
Appendix 3:	Aktindsigtsanmodningsformulering
Appendix 4:	E-mail to journalist from Journalista.dk
Appendix 5:	Telephone meeting with Andreas Hannibal Rasmussen
Appendix 6:	CBY - Anonymiseret rapport med visse udstregninger
Appendix 6A:	CBY - Faktura
Appendix 6B:	CBY - Afgørelse om aktindsigt i Bech-Bruuns advokatundersøgelse vedrørende visse forhold i Center for Bygninger, TMF 2018
Appendix 6C:	CBY - E-mail correspondence
Appendix 7:	Arena CPHX - sagen
Appendix 7A:	Arena CPHX - E-mail correspondence
Appendix 8:	Ringbo - Norrbom Vindings personalejuridiske vurdering i whistleblowersag
Appendix 8A:	Ringbo - Afgørelse
Appendix 8B:	Ringbo - Bilag 1 - Faktura
Appendix 8C:	Ringbo - Borgerrådgiverens undersøgelse af 28.1.2016 – om whistleblowersag
Appendix 8D:	Ringbo - Kronologisk gennemgang af Borgerrådgiversag – 27 juni
Appendix 8E:	Ringbo - Orientering om personalejuridisk vurdering i whistleblowersag
Appendix 8F:	Ringbo - Tillæg til Norrbom Vindings personalejuridiske vurdering
Appendix 8G:	Ringbo - E-mail correspondence
Appendix 9:	AVA - Notat af november 2017 vedrørende forhold i AffaldVarme
Appendix 9A:	Advokatudgifter
Appendix 9B:	AVA - E-mail correspondence
Appendix 10:	CME - 1. Rapport af februar 2018 om undersøgelse af udbudsforhold i Center for Energi og Miljø udarbejdet af advokatfirmaet Bech-Bruun
Appendix 10A:	CME - 2. Rapport af februar 2018 om undersøgelse af udbudsforhold i Center for Energi og Miljø udarbejdet af advokatfirmaet Bech-Bruun - Rapport
Appendix 10B:	CME - Notat af december 2017 om undersøgelse af forhold vedr. indgåelse af konsulentaftaler mv i Center for Energi og Miljø
Appendix 10C:	Advokatudgifter
Appendix 10D:	CME - E-mail correspondence
Appendix 11:	CBA - Rapport om familiemæssige ansættelser i Center for Byens Anvendelse

Appendix 11A:	Advokatudgifter
Appendix 11B:	CBA - E-mail correspondence
Appendix 12:	BMF - Redegørelse Gorrisen Federspiel Kierkegaard BMF 2008
Appendix 12A:	BMF - Tilbud Gorrisen Federspiel Kierkegaard BMF 2008
Appendix 12B:	BMF - E-mail correspondence
Appendix 13:	BKF - Redegørelse Bech-Bruhn BKF 2017
Appendix 13A:	BKF - Notat Bech-Bruhn BKF 2017
Appendix 13B:	BKF - Notat II Bech-Bruhn BKF 2017
Appendix 13C:	BKF - Faktura Bech-Bruhn BKF 2017
Appendix 13D:	BKF - E-mail correspondence
Appendix 14:	BUF - Redegørelse - BUF-sagen
Appendix 14A:	BUF - Henvendelse fra Folketingets Ombudsmand BUF 2015
Appendix 14B:	BUF - Faktura Kromann Reumert BUF 2015
Appendix 14C:	BUF - Bilag Kromann Reumert BUF 2015
Appendix 14D:	BUF - Metodebeskrivelse Kromann Reumert BUF 2015
Appendix 14E:	BUF - E-mail correspondence
Appendix 15:	Arena Fyn - Redegørelse fra Kromann Reumert
Appendix 15A:	Arena Fyn - Faktura fra KR
Appendix 15B:	Arena Fyn - Specifikation over salær
Appendix 15C:	Arena Fyn - E-mail correspondence
Appendix 16:	Taastrup Theatre - KL's Rapport offentlig - Taastrup Teater
Appendix 16A:	Taastrup Theatre - KLs opgørelse
Appendix 16B:	Taastrup Theatre - E-mail correspondence
Appendix 17:	Norrdjurs - Mail fra Norrdjurs Kommune
Appendix 17A:	Norrdjurs - Faktura fra Bech-Bruun i forbindelse med juridisk bistand
Appendix 17B:	Norrdjurs - Svar på anmodning om aktindsigt i rapport
Appendix 18:	Application rejected - Aalborg
Appendix 18A:	Application rejected - Roskilde
Appendix 18B:	Application rejected - Næstved
Appendix 18C:	Application rejected - Svendborg
Appendix 18D:	Application rejected - Haderslev
Appendix 18E:	Application rejected - Hvidovre
Appendix 18F:	Application rejected - Tønder
Appendix 18G:	Application rejected - Syddjurs
Appendix 18H:	Application rejected - Greve
Appendix 18I:	Application rejected - Glostrup
Appendix 18J:	Application rejected – Lejre
Appendix 18K:	Application rejected – Struer

Appendix 18L:	Application rejected – Randers
Appendix 19:	Chart – Cost in connection with legal investigations
Appendix 20:	Arena CPHX P/S - Kontoret for Selskaber og Aktivstrategis redegørelse om selskabskonstruktion og historik siden stiftelsen
Appendix 21:	Kommunale Budgetter
Appendix 22:	All ”No instances of official misconduct” (80)
Appendix 23:	Meeting with the Head of legal affairs from Copenhagen
Appendix 24:	Public Administration Files Act
Appendix 25:	DST- Inddeling af Danmarks kommuner