



# Ethics Officers Roundtable

Using Case Studies for Effective Training

Presented by:

Paul Fiorelli, Director,  
Cintas Institute for Business Ethics, Xavier University

Mike Moser, Vice President and Chief Compliance Officer  
Western & Southern Financial Group

©Fiorelli, 2008

## Designing Scenarios

- What conversation do you want to have?
- Tell a simple short story
- Do not have a clear cut, legal answer
- Agree on a decision-making framework
- Move group towards consensus
- Explore motivations for improper behavior

©Fiorelli, 2008

# What Conversation

- What will be the key insights, take-aways?
- Outline and write the story with those outcomes in mind

©Fiorelli, 2008

# Short Story

- Make the characters and situations believable, maybe even sympathetic?
- People should say, “That could happen here.”
- Lockheed Martin Integrity Minute

©Fiorelli, 2008

# Law v. Ethics

- Do not have a clear legal answer or policy violation
  - If so, only questions are probability of detection and severity of sanctions
- Should be able to answer different questions that arise?
  - May need to defer to content experts
    - Lawyers, accountants, risk
- Use scenarios to explore “gray areas”
  - Even if something is legal, should you still do it?
  - Would that fit into the culture of your organization?

©Fiorelli, 2008

# Process for Moral Decision-making

- What are the **FACTS**?
- Who are the **STAKEHOLDERS**?
- What are the **ETHICAL ISSUES**?
- What are the **ALTERNATIVES**?
- What **ACTION** should be taken?

ROGER FINE  
FORMER GENERAL COUNSEL  
JOHNSON & JOHNSON

©Fiorelli, 2008

# Consensus

- May need to “steer” discussion if its focusing on unrelated material
- Wrap up
  - What is the “take away”?
  - Will it explain an ambiguity or reinforce a part of the code?

©Fiorelli, 2008

# Sample Scenario

©Fiorelli, 2008

• You are a member of a small team charged with hiring a new member in your division. The minimum job experience was two years in the industry. The applicant pool seemed fairly meager and you have been “underwhelmed” with some of the prospects. While pondering which candidates to consider interviewing, you got a call from one of your best clients, Jane Customer. She tells you that her son, John Star (Jane had kept her maiden name after marriage) had applied for a job at your company, and she was wondering whether you could give his resume a close look. She told you that John had several job offers that he had to decide on quickly, but she wanted him to work with your company.

©Fiorini, 2008

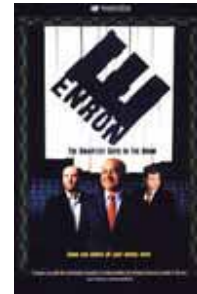
• It turns out that John did not appear to meet the minimum two-year experience requirement, so you never even saw his resume. You mentioned this to Jane and she explained that her son had a year and half of work experience, after college, but John had also interned in the field for a year, during college. Jane said that satisfied the other companies, and surely it should be enough to get considered. You tell Jane that you’ll see what you can do, and after a closer review, John looks like a very good candidate. Maybe he was a little green, but you think you could work with him, and he sure looked better than anyone else you had seen.

©Fiorini, 2008

ambiguous about whether an internship could be counted towards experience. The problem would be with “selling” John and his internship to the rest of the search team. How hard should you push for John? You recall a similar situation a few years ago, and HR gave the employee’s “champion” a very difficult time. Should you disclose the fact that John Star is the son of your best customer? It seems that it would be whole lot easier, and quicker, to just not mention your business relationship with his mother. How would anyone find out, especially since they had different last names? If you spent the time going through all the paperwork

©Fiorelli, 2008

## ENRON: THE SMARTEST GUYS IN THE ROOM



- 2005 MOVIE
  - NOMINATED FOR BEST DOCUMENTARY
  - ANDY FASTOW
    - CFO OF ENRON, GENERAL PARTNER OF SPECIAL PURPOSE ENTITIES
    - BILL LERACH HAS PLEAD GUILTY IN A FELONY COUNT OF CONSPIRACY

©Fiorelli, 2008

# CONFLICT OF INTEREST

- DEFINED - *“A CONFLICT BETWEEN THE PRIVATE INTERESTS AND THE OFFICIAL OR PROFESSIONAL RESPONSIBILITIES OF A PERSON IN A POSITION OF TRUST”*
- SOLUTION - TRANSPARENCY

CONFLICT OF INTEREST. Dictionary.com. *Merriam-Webster's Dictionary of Law*. Merriam-Webster, Inc. [http://dictionary.reference.com/browse/CONFLICT\\_OF\\_INTEREST](http://dictionary.reference.com/browse/CONFLICT_OF_INTEREST) (accessed: August 10, 2007).

©Fiorelli, 2008

# Motivations

- Pressure Cooker
- Short Term Focus
- Rationalization
- Hedonist
- Team Player/Altruist
- Prisoners
- Plausible Deniability

©Fiorelli, 2008