

Conflicted Ethical Behavior by Leaders

The latest ethical transgressions making headlines are sending conflicting signals about the consequences of acting unethically. It's time we hold the leaders in all aspects of society—whether business, government, entertainment, or elsewhere—to consistently high ethical standards.

The debate continues as to how closely the ethical standards followed by leaders of various parts of society, such as those in entertainment, business, sports, and government, should actually measure up to the high ideals that most of society seems to presume. To many observers, those who achieve the spotlight are expected to be role models in every aspect of their lives, but when these idols fail to live up to these high expectations, it seems incongruous that they don't always suffer "appropriate" consequences.

In a July 8, 2009, online discussion titled "Politics—Sex Americana," *The Wall Street Journal* noted that, for most Europeans, the sexual antics of their political leaders deserve no more consideration as to their suitability for holding public office than "what they eat for breakfast."

Compare that attitude to what has happened in the United States recently. Senator John Ensign from

Nevada was maligned for arranging payments to his mistress when breaking off his extramarital affair. Little was said publicly about the hypocrisy of his behavior, but when President Clinton's extramarital affair was making headlines, Ensign called for Clinton's resignation because, according to Ensign, Clinton "had no credibility left." Mark Sanford, the governor of South Carolina, was heavily criticized for disappearing without telling people where he was. It was presumed he was secluded somewhere working on his forthcoming book on fiscal responsibility, but he actually traveled secretly to Argentina to spend days with his

"soul mate" mistress. Was the marital unfaithfulness the cause of this criticism or his misleading comments and how he generally handled the entire situation? Regardless, his book publisher cancelled the contract for his book.

South Carolina Senate Majority Leader Harvey Peeler and other state GOP senators said in a statement: "Crisis requires people in leadership positions to act decisively, with as much dispassionate wisdom and judgment as possible." The statement continued: "We therefore have concluded that Governor Mark Sanford must resign his office. He has lost the trust of the people and the legislature to lead our state through historically difficult times." State Representative J. Todd Rutherford described Sanford in this way: "I am insulted that someone who seemed to expect so much out of everyone else seems to expect so little out of himself." In other words, the ethical culture of every organization is built upon the credo and the actions embodied in the tone at the top.

Another example is former Illinois Governor Rod Blagojevich, who was impeached and removed from office for corruption. Since



then, he has done everything possible to remain in the public eye, even attempting to go to the jungle in Central America to appear in the television reality show “I’m a Celebrity...Get Me Out of Here,” but the judge wouldn’t let him leave the country. Many observers are wondering how this publicity will enhance his criminal defense.

Unfortunately, the pay-to-play political activities that resulted in the corruption indictment of former Governor Blagojevich and a prison sentence for his predecessor, Governor George Ryan, aren’t limited to Illinois or the state level. Lobbying plays too great a part in the legislative process in the United States. For example, the *Washington Post* reported on July 6 that the healthcare industry is estimated to be spending more than \$1.4 million each day on lobbying in the current fight over healthcare reform. The story said, “Even in a city where lobbying is a part of life, the scale of the effort has drawn attention.”

Many current healthcare lobbyists are former congressional and agency staffers who know their way around Washington. “The revolving door [between govern-

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ment and those it governs] offers a shortcut to a member of Congress to the highest bidder,” said Sheila Krumholz, executive director of the Center for Responsive Politics. “It’s a small cost of doing business relative to the profits they can garner.” A former agency executive and Senate staffer explained the benefits of having government experience: “For people like me who are on the outside and used to be on the inside, this is great, because there is a level of trust in these relationships, and I know the policy rationale that is required.”

In Illinois, the atmosphere for

ethical reform in state government combined with the report of a nonpartisan study commission should have made passage of effective corrective legislation relatively easy. Instead, legislators passed what many have called only a sham.

What about Business?

In business, in my opinion, the company with the most losses from ethical scandals is the Boeing Company. In March 2005, the board chairman reported that the board felt that the sexual behavior of CEO Harry Stonecipher “reflected poorly on Harry’s judgment and would impair his ability to lead the company,” according to the *New York Daily News*. The paper’s headline described Stonecipher as the company’s “Chief Erotic Officer” after exposing the existence of e-mail messages describing relations with the vice president of Boeing’s chief lobbying firm. Stonecipher had come out of retirement to lead Boeing and had met the woman at a company function only a few months earlier. The board indicated he was in line for a \$37 million bonus at the end of the year. Both he and the company suffered greatly.

A previous ethics scandal at Boeing involved a formal federal suspension from performing military rocket launches because the company possessed documents from a competitor when it prepared its bid to obtain the business. Also, a \$24 billion contract for Boeing to manufacture aerial refueling tanker airplanes was thrown out by Congress after a high-ranking Pentagon procure-

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ment official increased the price before she retired and went to work for Boeing. E-mail messages showed she was romantically involved with Boeing's CFO while handling billions in Boeing procurement contracts. Both pleaded guilty and served prison sentences. The company has paid hundreds of millions of dollars in fines and penalties.

The unfortunate aspect of the Boeing ethical problems is that the company is a founding member of the Defense Industry Initiative (DII). DII signatory companies say they are united in their commitments to adopt and implement the highest standards of business ethics and conduct. Ethical behavior can't be achieved by a legalistic box-checking compliance function that merely asserts that a code of conduct really does exist. It takes real actions at every level, starting at the top, to emphasize ethical behavior throughout the organization.

Guided by Ethics

In only his third encyclical, titled "Charity in Truth" and released just before the July meeting of the Group of 8, Pope Benedict called for a new world financial order that would be guided by ethics. The Pope denounced the profit-at-all-cost mentality that has been blamed for causing the global financial meltdown, saying that the solution is the creation of a business culture that has a keen eye on ethics and is dedicated to the common good.

The citizens of every country should demand that their leaders in every sector of society act in

accordance with the highest ethical standards. **SF**

Curtis C. Verschoor is the Emeritus Ledger & Quill Research Professor at the School of Accountancy and MIS, and an honorary Senior Wicklander Research Fellow in the Institute for Business and Professional Ethics, both at DePaul University, Chicago. He is also a Research Scholar in the Center for Business Ethics at Bentley University, Waltham, Mass. John Wiley & Sons has published his latest book, Audit Committee Essentials. His e-mail address is curtisverschoor@sbcglobal.net.