


GET HOOKED ON ETHICS will inspire readers to apply ethical principles to all their decisions and actions at work, at home and in their communities. Ethical actions will attract others to do the same and will help defeat the "anarchists" whose greed and selfish behaviors are causing destruction, chaos and a loss of civility in our society.

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ETHICS

(And the world will be a better place.)

SUSIE YOVIC HOELLER

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CHAPTER ONE

ETHICAL DECISION MAKING

Anarchists or Ethical Actors

Are you a problem creator or a problem solver? Are you an anarchist or an ethical actor? In using the word “anarchist,” I mean someone who pursues his or her selfish desires without regard to the rest of society. This is a person who exercises freedom without responsibility or accountability. I am not using the word “anarchist” to describe a person who advocates the abolition of government, which is the more common usage of the word.

In contrast to an anarchist, an “ethical actor” is person who subjects himself to an authority (religious faith, ethical culture, the law, concern for others, and/or good manners). The ethical actor is not self-centered. He considers the impact of his actions on other people, the environment and other species before acting.

Who are the Anarchists?

The anarchists in our midst are people who care only for themselves and ignore the negative impacts of their lifestyles and behaviors. These

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selfish people cause massive destruction and chaos in our world. Are you disgusted by the pollution of the Gulf of Mexico, the Kalamazoo River in Michigan, and streams in Pennsylvania caused by individual managers making the wrong decisions at oil and gas companies?

Are you tired of being tailgated on the freeway or cut off by texting drivers? Why are our streets filled with plastic bags and fast food litter? Is there any place in America where one can find silence and tranquility instead of the constant din of loud cell phone talkers, piped in music, leaf blowers, boom boxes, and vehicles?

Why is so much of the entertainment offered by Hollywood cultural pollution with its brutal violence, foul language, and crude assaults on human dignity? Why are millions of Americans over-eating themselves to death while thirty-five million Americans cannot afford or access nutritious food?

The evidence for climate change is all around us (Russia is burning, Pakistan is drowning, and glaciers worldwide are melting). Yet have most Americans changed their lifestyles from excessive and wasteful consumption to conservation and stewardship of our natural resources? Has Congress acted? The answer to these two questions is no.

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The Business Anarchists

Business news contains more stories about corruption and law breaking than reports about technological innovation, job growth and wealth creation for shareholders. Our capitalistic system, having generated unprecedented opportunities and material wealth for millions, has been tarnished by the ethical failures of many business and financial people. What follows is not an attack on Corporate America but a call for individuals to turn their backs on personal greed and get hooked on ethics instead.

The BP oil well blowout in the Gulf of Mexico resulted from unethical corner cutting by the companies with operational control of the drilling rig. The people in charge acted recklessly for short term gains. This has caused the deaths of eleven oil workers; the loss of livelihoods for other oil workers, fishermen and the tourist industry; the destruction of priceless sea creatures, wildlife and marshes; and the loss of billions in the equity held by BP shareholders. The BP CEO in charge at the time of the blowout has received a new executive job with a BP venture in Russia. There is no real personal or financial accountability for his failure to inspire and enforce a safety-first culture at BP.

The news about unethical business conduct and financial fraud is unending. Cases reported in the first eight months of 2010 include:

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Contractors building an energy plant in Connecticut were issued proposed civil fines of \$16.6 million by OSHA because of a natural gas explosion which killed six workers and injured fifty more. The contractors violated OSHA regulations and industry safety practices, as they rushed to finish construction in order to receive timely completion bonuses. Criminal charges are under consideration by federal prosecutors. As U.S. Secretary of Labor, Hilda Solis said in announcing the fines: “No operation and no deadline are worth cutting corners and costing a single human life.”

Billionaire Texas investors Charles and Sam Wyly were charged by the Securities and Exchange Commission (“SEC”) for conducting illegal stock trades using secret overseas accounts. These actions, if proven, will have undermined the integrity of the market and hurt honest investors.

General Electric paid \$23.4 million to settle SEC charges that the company was involved in an illegal kickback scheme with Iraqi government agencies to win contracts under the United Nations Oil for Food Program.

Dell and its founder Michael Dell agreed to pay over \$100 million to settle SEC civil charges that the company manipulated financial statements to meet Wall Street earning targets. Innocent investors relying on the accuracy of Dell’s financial statements were defrauded.

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Toyota paid a \$16.375 million fine (the largest fine permitted by law) for failing to notify the National Highway Traffic Safety Administration of a dangerous gas pedal defect for almost four months. In the meantime, motorists died and were injured by Toyota's unconscionable delay in reporting the defect.

Johnson and Johnson recalled 136 million bottles of children's medicines due to higher than permitted concentrations of active ingredients and the presence of metal particles. The FDA is considering filing criminal charges against J&J in connection with the lack of timeliness of the recalls. It appears that J&J put profits before children's safety by allowing parents to continue to purchase medicines it knew were contaminated.

Goldman Sachs paid a record \$550 million fine to the SEC to settle charges that it defrauded investors in subprime mortgage backed securities.

Intel settled with the Federal Trade Commission for charges that it engaged in illegal anti-competitive practices by paying its customers not to purchase semiconductors from Intel competitors. Intel was also fined by the European Union's antitrust regulators.

Unlike small business owners who must pledge their personal assets to banks in order to obtain credit, Big Business executives and managers typically have "no skin in the game." They have no personal financial

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liability under the corporate form of business. They are not required to sign personal guarantees to creditors, directors or shareholders. Shareholders, insurers and creditors pick up the tab for business anarchists' wrongdoing and employees often lose their jobs when a company is financially damaged by the wrongdoing.

The Tea Partiers are off the Mark

The Tea Partiers rant and rave against the federal government and federal regulation of business but they offer no solutions to detect and prevent business misbehavior. The federal government is the most significant check on unethical business people, who are not held accountable by their own board of directors. The federal government is a check that often occurs too late. Pillorying BP or Wall Street executives before Congress does not bring the oil workers, birds and dolphins back to life or restore the lost savings of millions of depositors and investors.

Campaign Financing and Special Interests

In the meantime, many government officials are corrupted by the need to raise money for their elections. Private financing of campaigns by moneyed interests, whether these interests are large corporations or large unions, undermines democracy and the impartial rule of law. This is because so many laws and earmarks are passed only for the benefit of special interests and not for the overall good of the American public.

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Sports Anarchists

College football teams around the country brazenly violate NCAA rules on the recruiting of athletes. An NFL coach cheats by stealing signals and he receives an insignificant fine when compared to his total compensation. The NFL only acted on player concussions after Dr. Gay Culverhouse, the Tampa Bay Buccaneers' President, went public with her concerns for player safety. The NHL still allows its goons to severely injure hockey's finesse players. The league's recent rule changes to prohibit hits to the head do not prevent vicious cross-checks to the back and other unnecessary violence in professional hockey. Some baseball players, track stars and cyclists resort to doping to win batting titles, Olympic medals and cycling races.

Religious Anarchists

The Catholic Church hierarchy has sheltered child predators instead of turning them over for criminal prosecution. Protecting the anarchist priests and the Church's reputation was more important than protecting innocent children. Of course, the worldwide cover-up has backfired and the Church's reputation has suffered far greater damage than if the hierarchy had acted immediately to de-frock and prosecute the criminal priests. In the meantime, the honorable priests who have faithfully served the people have had their reputations besmirched.

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Many television and mega church pastors have grown rich peddling a heretical “prosperity” gospel and have injured the Christian evangelical witness by their involvement in sex and money scandals.

Osama bin Laden and the Taliban have perverted the teachings of Islam and have unleashed a global wave of terrorist violence on Muslims and non-Muslims alike. The quest for a “Greater Israel” by Israeli settlers and their political parties has undermined the “Tikkun Olam—Heal the World” teachings of Judaism. Hindu sects in India murder Christians instead of adhering to Hindu prohibitions against violence.

Political Anarchists

The list of ethical and legal abuses by politicians is very long. Sex, bribery, tax avoidance, and political offices for sale scandals are constantly in the headlines. *The New York Times* recently reported on corporations which established university endowments honoring politicians who provided earmarks or other special benefits to the corporations.

There Are Ethical Actors

All of the above is highly negative. Yet, there is a positive side. Many religious and ethical culture groups; food banks; homeless, domestic violence and animal shelters; pregnancy crisis and adoption agencies; social workers; AIDS clinics; immigrant aid societies; medical, relief,

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and other charities perform millions of good works in the United States and worldwide. These people are the “anti-anarchists.” They are faithful to their source of ethical inspiration, whether it is their religious faith or a secular philosophy. Many ethical businesses contribute funds and management talent to these beneficial efforts.

We have an all volunteer military which acts with selfless bravery. Many Americans fight for social causes larger than themselves for no personal benefit and often to their personal detriment when they are shunned for doing the right thing. Assuredly, there are millions of small business owners and workers who play by the rules.

Some of our largest corporations are currently acting with integrity. These leading companies are recognized on an annual basis by Ethisphere (www.ethisphere.org).

““The World’s Most Ethical Companies’ designation recognizes companies that truly go beyond making statements about doing business ‘ethically’ and translate those words into action. ...There is no set number of companies that make the list each year. Rather, the World’s Most Ethical Company designation is awarded to those companies that have leading ethics and compliance programs, particularly as compared to their industry peers. This year, there are 100 World’s Most Ethical Companies. Of these companies, 26 are new to the list in 2010 and 24 companies dropped off from the 2009 list.

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These ‘drop offs’ generally occurred because of litigation and ethics violations, as well as increased competition from within their industry.”¹

The stock market performance chart on the home page of the Ethisphere website shows that the companies selected for ethical leadership outperform the rest of the market by a substantial margin. This proves that ethical business is good business especially for companies that look beyond short term financial metrics and focus on long term and sustainable results. Companies recognized in 2010 include Patagonia, Ford, EcoLab, Xerox, Texas Instruments, Wegmans, and Rockwell Collins.

On August 6, 2010, after the close of the stock market, Hewlett-Packard announced the resignation of CEO Mark Hurd due to violations of the company’s code of business conduct. Kudos to the Board of Directors for swiftly enforcing H-P’s long held values of trust, respect and integrity against their own CEO and for doing so without any outside government pressure.

In addition to companies recognized for ethical leadership, there are many heroic individuals who can inspire us. There is the example set by Pat Tillman, the NFL safety who left his lucrative football career with the Arizona Cardinals after 9/11 to join the Army. Cpl. Tillman was killed by friendly fire while serving in Afghanistan in 2004. The

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cause of his death was covered up by his chain of command reporting to and including General Stanley McChrystal.

Is it surprising that the same General McChrystal was forced to resign in June 2010? This happened when his staff made disparaging remarks about the President and other civilian leaders to *Rolling Stone* magazine. This was a violation of the officer's code of conduct. In my opinion, McChrystal should have been fired in 2004 when he and his subordinate officers covered up the true cause of Pat Tillman's death. This deceit caused great anguish to the Tillman family.

Most of us will never become famous like Pat Tillman and the ten inspiring ethical people profiled in Appendix C. We should make the choice to emulate true heroes without regard to any public recognition.

We can improve our lives and our world if we get hooked on ethics. We can do this in one community and one company at a time. Join with your family members, friends and colleagues to rid our society from the destruction wrought by the self-seeking anarchists. We can all become ethical citizens who deeply care about our relationships with each other, with other creatures and our environment.

What Ethical Standard Should We Apply?

Ethics involves determining the "right" and "wrong" of human behaviors and actions. There are numerous ethical principles which

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derive from philosophers and teachers, some of which are summarized in Appendix D. Applied ethics means ethics as applied to a particular profession – such as medical ethics or legal ethics.

The ethical standard used here means *actions which are not entirely selfish but which take into account the impact on other humans, other creatures and the environment.*

Below are selected quotes on ethical issues to stimulate your thinking and to discuss with your circle of friends and colleagues. The people quoted are identified with the titles they had at the time they made these statements. Some of these leaders have now passed away.

Jerry R. Junkins, Chairman and CEO of Texas Instruments

"If I do something unethical for some short term gain somebody else is going to get hurt, and they're not going to forget it. You're clearly trading a short term gain for something that's inevitably going to be worse down the road—you'll eventually lose business."²

Dame Anita Roddick, Founder of The Body Shop, Environmentalist and Human Rights Campaigner

“Consumers have not been told effectively enough that they have huge power and that purchasing and shopping involve a moral choice.”³

Armory Lovins, CEO, Rocky Mountain Institute

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“Many business leaders are asking fundamental questions about what business they’re in, why they are doing it and how it can be used as a means of healing human and natural communities.”⁴

“Today we have a temporary aberration called ‘industrial capitalism’ which is inadvertently liquidating its two most important sources of capital... the natural world and properly functioning societies. No sensible capitalist would do that.”⁵

Franklin D. Roosevelt, 32nd President of the United States

“Remember, remember always that all of us, and you and I especially, are descended from immigrants and revolutionists.”⁶

“No business which depends for existence on paying less than living wages to its workers has any right to continue in this country.”⁷

William F. Buckley, Conservative Intellectual, Publisher, Writer, and Host of “Firing Line”

“You cultivate the essential virtues: high purpose, intelligence, decency, humility, fear of the Lord, and the passion for freedom.”⁸

Rachel Maddow, MSNBC Host

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“I think it's important to remember Prohibition because enacting it was a huge disaster for our nation, but it was a personal triumph for Carrie Nation.

I would like to offer the hypothesis on this beautiful graduation day that personal triumphs are overrated. If you think about it, when Jack Abramoff got the White House to install his on- the-take, corrupt, patsy as the Number Two job at the Department of Interior thus leading to the snorting-meth-off-the-toaster-oven, sleeping-with-the-oil-lobbyist vibe at the Department of the Interior, that was a personal triumph for Jack Abramoff.

Someone at Yum Brands this year achieved their personal triumph by getting KFC to remove the bun from a cheese and bacon sandwich and replace that bun with pieces of fried chicken – the double-down sandwich-designer's personal triumph.”⁹

Wilma Mankiller, Principal Chief of the Cherokee Nation

“Western movies always seemed to show Indian women washing clothes at the creek and men with a tomahawk or spear in their hands, adorned with lots of feathers. That image has stayed in some people's minds. Many think we're either visionaries, 'noble savages,' squaw drudges or tragic alcoholics. We're very rarely depicted as real people who have greater tenacity in terms of trying to hang on to our culture and values system than most people.”¹⁰

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Carol Gilligan, New York University Professor, Ethicist and Feminist

“In the different voice of women lies the truth of an ethic of care, the tie between relationship and responsibility, and the origins of aggression in the failure of connection.”¹¹

Peter Singer, Bioethics Professor at Princeton University

“All the arguments to prove man's superiority cannot shatter this hard fact: in suffering the animals are our equals.”¹²

Dolores Huerta, Co-Founder of the United Farm Workers

“Giving kids clothes and food is one thing, but it's much more important to teach them that other people besides themselves are important and that the best thing they can do with their lives is to use them in the service of other people.”¹³

Blessed Teresa of Calcutta

“If you can't feed a hundred people, then feed just one.”¹⁴

“If we have no peace, it is because we have forgotten that we belong to each other.”¹⁵

Nelson Mandela, President of South Africa

“Let there be work, bread, water and salt for all.”¹⁶

How Do We Proceed

Let's get started by seriously reflecting on our motives and our actions. We need to focus greater attention on how what we do affects other people and our world, either positively or negatively. We have to think in terms of broad social relationships and not just in terms of ourselves, our families or our careers. This does not mean we have to discard all worldly pursuits and pleasures. It is not unethical to study diligently for academic or professional achievement or work hard to build a business or to have fun. It is how we do these things that involve ethics. If we cheat on an exam, cut corners in our business or despoil the environment with our recreational pursuits, these behaviors are not ethical. We have to consider whether it is ethical to over consume material goods and food when millions of other people have far less.

There is a tremendous individualistic and freedom loving spirit in American history. This spirit has made our country great. Most able bodied Americans are self-reliant and hard working. But taken to an extreme, rugged individualism and freedom without responsibility can be harmful. We are not individual atoms in the universe – we are all interconnected with the past, the present and the future. We are free because of the soldiers, sailors and airmen who died and were injured securing our freedom. Women and minorities can vote because of the personal sacrifices of the suffragettes and civil rights workers. We must never forget the courageous labor reformers who put an end to child

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labor and brought about the labor law and workplace safety protections so many take for granted today. We are educated thanks to the inventor of the printing press and the Freemasons who started public schools in America. We can be healthy due to scientific advances in agriculture and medicine.

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