



2010 BEST PRACTICES FORUM

October 11 - 12

The Four Seasons Resort & Club at Dallas



Fact Patterns For Discussion

Ethics Committee

ETHICS AND COMPLIANCE SCENARIO 1

- **QUESTION:** We solicit bids for a business service. Our current supplier, with whom we are very pleased, understands that we are required to obtain bids from three qualified suppliers. Our current supplier suggests that he will undercut the lowest bid by 20% if we agree to pay him 5% in cash, so his effective discount is only 15% off the lowest bid.
- **Is this in the best economic interests of the company?**
- **Do/not do the deal?**
- **Values at stake?**
- **Ethical dilemma presented by the facts?**

ETHICS AND COMPLIANCE SCENARIO 2

- **Contractor Gratuities to Government Personnel**

- You are a government contractor working on federal construction project in Virginia. Each week there is a morning safety meeting of contractor and subcontractor personnel. The meeting is held in the contractor's job trailer. The contractor and subcontractors take turns providing the continental breakfast for the meeting which includes coffee, donuts, bagels and sometimes fruit. The cost per person of the breakfast is less than \$10.00. The contractor and subcontractors also donate prizes for a safety awareness drawing presented monthly at the meeting. The winner is drawn randomly from the names of the individuals on the sign in sheet for the meeting. The prizes are typically valued at less than \$400.00 and may include power tools, electronics, sporting goods, apparel, etc. The final safety meeting following substantial completion of the project is more of a social event and involves attending a baseball game. The contractor and several of the subcontractors have suites or sky boxes at the baseball stadium so they provide the tickets at no cost to the attendees. Individuals pay for their own food and drinks.

ETHICS AND COMPLIANCE SCENARIO 2

- **DISCUSS** how you would deal with the following situations and what legal issues or ethical challenges they may present:
- **Government employees attend the meeting regularly and have coffee and the breakfast provided.**
- **At one of the meetings, a government employee is chosen randomly from the attendees to receive the safety awareness prize which is a 22” flat screen television valued at \$278.00.**
- **Following the meeting, a government employee in attendance asks one of the subcontractors for a subcontractor branded mug and a t-shirt.**
- **The contracting officer and her technical representative are avid baseball fans and sign up to attend the game by entering their names on the form posted in the job trailer.**

ETHICS AND COMPLIANCE SCENARIO 3

- **THE DIFFERENCE BETWEEN A ‘GIFT’ AND A ‘BRIBE’**
- **QUESTION:**
- (a) Several times a year, office and warehouse personnel are sent “gifts” from vendors.
- (b) What is the difference between a “gift” and a “bribe”?

ETHICS AND COMPLIANCE SCENARIO 4

- **A Manager does a lot of work at home on weekends, utilizing his personal home computer, printer and internet hook-up. The manager's home printer uses the same printer cartridges as those in the office. From time-to-time, the manager takes 1-2 replacement cartridges and a ream of paper from the supplies cabinet for use at home. Printer cartridges are \$27 each – black and colored ink.**
- **YOU notice this behavior and comment to another employee about it. Several of the employees wonder if this is appropriate behavior.**

ETHICS AND COMPLIANCE SCENARIO 4

- **QUESTION:**
- **What has taken place in this series of events?**
- **Is there anything wrong with the manager's actions?**
- **Should YOU do anything?**
- **What alternatives might create a better set of outcomes?**

ETHICS AND COMPLIANCE SCENARIO 5

- **The Company’s Safety Department will be conducting OSHA 10-hour training for its employees. An employee who is scheduled for the training contacts the Contracting Agency (“Agency”), which is the owner/agency on the project, and extends an invitation to the Agency to attend the training.**
- **QUESTION:**
- **Is this permissible? Is this a conflict of interest?**