

**UNIVERSITY OF PENNSYLVANIA  
THE WHARTON SCHOOL  
DEPARTMENT OF LEGAL STUDIES & BUSINESS ETHICS  
LEGAL STUDIES 612**

**Fall 2015 Quarter 2  
RESPONSIBILITY IN BUSINESS**

Classroom: F45 Huntsman Hall  
Office: 618 Huntsman Hall  
Class times: 3 to 6 pm, Monday  
Office Hours: 1:00 to 3 pm, Monday – or by appointment.  
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Instructor: Professor Jose' F. Anderson, Legal Studies and Business Ethics Department.

**Course overview:** The purpose of this course is to introduce students to a broad range of ethical issues that professional managers face with increasing frequency. Together, we will explore concepts and methods designed to make you a more effective and honorable professional. Your time in this course will be well invested if you learn about the types of traps that lure seemingly honorable business professionals into ethical lapses and criminal behaviors that can ruin careers, destroy companies, and bring shame to families, associates, and the business community. Our time will be designed to help the student develop a set of analytical perspectives for making judgments when such issues inevitably occur, and permit them to navigate ethical grey zones with more confidence and better results. It will also help you learn to work with the lawyers who will assist your efforts. I will attempt to familiarize you with the basic principles that allow companies or teams to be more effective and less prone to ethical lapses.

When ethical lapses do occur, it is further proof that in the business world not every decision can be modeled or reduced to a mathematical equation. Judgment, therefore, becomes the key factor that separates those executives who attain great success from those whose careers never quite reach their potential. To sharpen the student's judgment, we will examine the role of ethical norms and reasoning in resolving the "non-market" issues in managerial life, and in establishing standards of professional responsibility. This will require a study of writings in sacred literature, the fields of ethical reasoning, professional responsibility, and the law. As part of the experience, students in this course will exercise professional judgment through discussion and analysis of cases that will be a **major** part of each class.

We hope you will share in the adventure of having contemporary business events as part of your ethics education.

As indicated above, our semester will be centered on one of the most difficult of business subjects: that is the matter of exercising good ethical judgments during difficult periods. When those times occur, you will lack complete information and the ticking clock will add to your pressures. You will feel isolated and fearful of the consequences of what you're about to do. And that's where judgment comes into play. No matter how many tools you acquire, the application of good judgment will make all the difference in your career.

During these weeks we spend together, we will attempt to sensitize you to the seductions that money, ambition and ego create. We will emphasize the “slippery slope” and how it often overrides good judgment. We will use case law, interactive media, news stories, Justice Department documents and other tools to demonstrate the ethical dilemmas and challenges that confront business people. The relationship between government and business will also be explored.

Negotiation simulations, group work on problems, and class discussions will help you reflect on your own behavior as well as your ethical/legal/moral standards and career aspirations. Your final paper will require you to define what you mean by the word “responsibility” within the context of your personal and professional goals.

### **Background on Professor Jose’ Anderson**

I am a graduate of the University of Maryland Baltimore County (UMBC) with a Bachelor of Arts Degree in Political Science. I was active in student government, received several academic honors and was Editor-in- Chief of the campus newspaper. While in college I was employed three summers for General Electric Company’s Corporate College Student Summer Internship Program.

As four year varsity athlete, and team Captain, I was inducted into the University’s Athletic Hall of Fame for accomplishments in track and field. After graduating from the University of Maryland Law School in 1984, I served as Editor-in Chief of the Maryland Law Forum, passed the July 1984 Bar examination and thereafter engaged in private practice for several years handling various litigation matters.

For nearly ten years I was a member of the Maryland Public Defender’s Office. While with the Public Defender, I served as Supervising Attorney in the Appellate Division, Special Assistant Public Defender and “in house” counsel to the 500 lawyer 800 employee agency. Throughout my career I have been involved in the trial and appeal of many high profile cases both civil and criminal, among them several death penalty cases in Maryland’s highest court, the United States Circuit Court Appeals for the Fourth Circuit and the Supreme Court of the United States. After years of practicing law I began teaching full time at the University Of Baltimore School Of Law where I was granted tenure in 1998, and earned promotion to the rank, “Professor of Law” in 2001. I was the Founding Director of the Stephen L. Snyder Center for Litigation Skills from 2000-2008. I occasionally serve as an expert witness in litigation involving businesses. I received the University System of Maryland’s Regent’s award (the systems highest honor) for Mentoring in 2006 and the Maryland Bar Foundation award for Advancement of Unpopular Causes in 2001. I served as Chair of the Maryland State Bar Association Section Council on Criminal Law and Practice, as a Member of the Board of Directors of the Maryland Criminal Defense Attorney’s Association and the Baltimore Museum of Industry.

I have co-authored a casebook on Criminal Law, published numerous scholarly articles and was elected to the prestigious American Law Institute in 2002. I have taught at the University of Pennsylvania as an Adjunct Professor of Legal Studies and Business Ethics at the Wharton School since 2003 and am a faculty member of the National Judicial College in Reno, Nevada.

**Mandatory Class Attendance and Grading:** We will meet only six times. People who skip class, arrive late, or leave early to attend to other priorities thus disrupt the experience for all. Grading on this aspect of the class is designed to create incentives that will help us all.

**MISS ALL OF PART OF ONE CLASS:** You may have one unexcused absence for all or part of any one class EXCEPT CLASS 6. As a courtesy to me and your fellow students, let me know about any class you need to skip so I can work around your absence. You will lose the attendance extra credit, but no other penalty will be assessed. However, Class 6 is mandatory for all because the Readings Quiz will be administered at the beginning of that class.

**MISS ALL OR PART OF TWO CLASSES.** Missing all or part of two classes (which amounts to missing one-third of the course) will lead to the automatic loss of one grade level on the final grade (i.e. from B+ to C+). In addition, your class contribution and peer evaluation grades are bound to suffer if you are present and participating in only 4 of 6 class. Missing all or part of more than two classes will result in failure for the course.

**Readings:** There is no text book for this course. Readings and cases will be made available on Canvas as the course progresses from a variety of sources.

## **GRADING:**

**1. Overall Contribution to Class/Peer Ratings: (10%) Attendance, as noted above, is crucial.**

**Assuming attendance, your commitment to exercises, preparation, class engagement and Participation.**

**2. Short-answer Test (40%).** A 60-minute, closed-book, in-class, short-answer test will be given in Class 6 on all the readings and lecture notes assigned and posted on Canvas for Classes 1 through 6. This test will include non-essay format short answer questions (i.e. a sentence or two), true/false, fill in the blanks, etc.

**3. Final Paper. (50%)** Due on Monday December 7, 2015 by 2:00 pm. The largest single component of the grade will be based on a final paper 7-10 pages in length (12-point type, doubled spaced – notes and illustrations are not counted toward the page limit). The paper will ask you reflect on the course readings and discussions plus your own original research to offer your own definition of “ethical responsibility” within a professional setting. You may use a news story, biography, or references from philosophy or sacred literature to complete the task. Papers will be graded based on quality of original research, integration of course concepts, excellence in writing and organization, thoughtfulness in the selection of subject matter, and linkages to your unique life experiences so far based on genuine reflection on the ethical challenges you discuss.

## **CLASS TOPICS AND ASSIGNMENTS**

### **Class 1** 10/19/15 Moral Foundations of Ethics in Business

Topics: What disclosure should be required? Should the “Buyer Beware”? When have I been morally or ethically misleading?

Readings:

Milliken v. Jacono  
Stambovsky v. Ackley  
Pelman v. McDonalds  
Baltimore City Department of Social Services v. Bouknight

### **Class 2** 10/26/15 Ethical Accountability, Loyalty and Decision Making in Business

Readings:

United States v. Park  
Dodge v. Ford Motor Company  
Shlensky v. Wrigley  
Ethics exercise: Report on Slavery Era Insurance

### **Class 3** 11/2/15 Ethical Accountability and Decision Making in Business, Continued Ethical and Moral Conflict

Readings:

Milton Friedman, The Social Responsibility of Business is to Increase Profits  
Alan Strudler, Insider Trading, A Moral Problem  
Fiduciary Relationship: A Legal Perspective  
Justice Department Press Release: Martha Stewart Insider Trading (June 4, 2003)  
Beam v. Martha Stewart – The Responsibility of Boards of Directors

### **Class 4** 11/9/15 Consequences for violating legal standards

Readings:

Richard G. Shell: Basic Elements of Business Fraud  
United States v. Marcus Garvey  
Excerpts from the Securities and Exchange Commission Act and Related Statutes  
Justice Department Press Release regarding Enron Chairman Kenneth L. Lay  
Press Release: Wal-Mart Pleads Guilty to Federal Environmental Crimes  
Bank of America Press Release: \$16.65 billion settlement (August 21, 2014)

**Class 5** 11/16/15 Legal and Ethical Responsibility Dealing with Government Officials and Regulator

Readings:

United States v. Whittemore (January 26, 2015)  
Jack Abromoff Justice Department Press Release, September 4, 2008  
Ethics Pledge for Government Employees  
United States v. Matthew Kluger: Charging Document and Press Release  
Honda Settlement: Justice Department Press Release, July 14, 2015

**Class 6** 11/30/15 Ethical Challenges Presented by Legal Counsel and the Litigation System  
Conflicts when ethical, strategic, and legal worlds collide

Readings:

G. Richard Shell, Comment of Business Strategy and Litigation  
Samuel Bodily, When Should you go to Court  
Child Labor Press Release: Bureau of International Affairs (January 22, 2015)

**(In-class test on readings)**

Paper due Monday December 7, 2015 at 2:00pm hard copy in Legal Studies Department  
Huntsman Room 600.