LGST 1000-002 ETHICS AND SOCIAL RESPONSIBILITY Fall 2024

SYLLABUS¹

Professor Friedman²

COURSE AND INSTRUCTOR INFORMATION:

Class Meetings: Monday/Wednesday 10:15-11:45 am

Room: TBD

Email: <u>friedmaa@wharton.upenn.edu</u>.

TA: Victoria Chandra
Office Hours: By appointment

Required Texts: Bulk Pack

Course Overview, Goals and Objectives:

We will cover the philosophical and other bases for business ethics; to what extent does/should the law define the parameters of business ethics; ethical behavior in a global environment; the substantive areas of compliance; and the implementation of a compliance program. The Course goals and objectives include:

- 1. Identify and understand the sources and frameworks for business ethics, particularly in the context of a global economy with differing cultural environments.
 - What is the overlap of law and business ethics?
- 2. Recognize and address business ethical issues:
 - What duties do businesses owe and to whom?
 - How do, and how should, we hold businesses and business people accountable?
 - Identify and understand current and emerging ethical issues
- 3. Understand how to set up an effective compliance program, including developing the skills for setting up a program, risk analysis, crisis management and managing investigations.

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² Professor Friedman is a privacy, ethics and compliance consultant to multinational companies and start-ups with expertise in the data/technology, life sciences and telecommunications industries. He was Associate General Counsel, Chief Compliance Officer and Chief Privacy Officer at Dun & Bradstreet, Vice President, Assistant General Counsel and Chief Privacy Officer at Pfizer; Chief Competition Counsel at Wyeth; and Senior Competition and Regulatory Counsel at British Telecom and AT&T. Professor Friedman is Chair of the Association of Corporate Counsel Compliance and Ethics Network.

GRADING:

- Class Attendance and Participation: 10%: You are expected to attend all classes unless excused and to participate in class discussions and in-class activities (7%) and submit a Reflection Papers (1-2 pages) at the last class (3%) setting out (i) Key take-aways from the class, and (ii) insights gained from the course that you will take with you.
- Mid-Term Exam: 25%
- Response to Class Readings 20%: For the first 30 minutes of every class, four designated students to share with the class divided into two groups. First group (2 students) to lead discussion of Key Takeaway(s) from the Readings for that class and (see Takeaways Rubric below); and (2) second group (two students) to present and discuss case study(ies) (see Case Studies Rubric below).
- Topic Presentation (20%) + Final Paper (25%): 45% (see Rubrics at end of Syllabus)
 - A topic is to be submitted to me and approved in the first 3 weeks of the course.
 - Each student will do a short presentation with a power point of their topic to the class
 (10 minutes) of their topic after Spring Break (20%)
 - Turn Topic Presentation into a Final Paper (25%)

Class Etiquette: Laptops and tablets are for class-related purposes only. No cell phones.

Attendance and Participation: Regular and prompt attendance is required. Absences from class because of illness, quarantine, or self-isolation will be excused, and the student is expected to make up the work.

Academic Integrity: Please refer to the Academic Code of Conduct, which includes the School's policies on plagiarism, cheating, and other matters. Students shall not rely on or use someone else's words, ideas, data, or arguments without clearly acknowledging the source and extent of the reliance or use.

FALL 2024 Semester Assignments

Class	Topic	Bulk Pack Assignment	Documents/Case Studies/Activity
Aug. 28	Introduction	Complete the Schwartz Values	
		Scale before class.	
		https://yourmorals.org/,	
Sept. 4	General	1. Sucher & Hsieh, A	Document: The UN Global
	Frameworks	Framework for Ethical	Compact,
	- Philosophical	Reasoning (Harvard Business	https://www.unglobalcompact.org/
	- Psychological	School, 9-610-050, 2011).	what-is-gc/mission/principles.
		2. Werhane, A Note on Five	CASE STUDY: The Parable of the
		Traditional Theories of Moral	Sadhu,
		Reasoning, Darden Business	https://hbr.org/1997/05/the-
		Publishing (1994).	<u>parable-of-the-sadhu</u> .
		3. Mazar, Amir and Ariely, <i>The</i>	
		Dishonesty of Honest People, A	
		Theory of Self-Concept	

		Maintenance, American	
		Marketing Association (2008).	
Sept. 9	Business Ethics:	1. Milton Friedman, <i>The Social</i>	1. LARRY FINK'S 2022 LETTER TO
осри з	Corporate	Responsibility of Business is to	CEOS: The Power of Capitalism,
	accountability	Increase its Profits.	https://www.blackrock.com/corpor
	to	2. R. Edward Freeman,	ate/investor-relations/larry-fink-
	Shareholders	Managing for Stakeholders,	ceo-letter
	versus	(2007)	2. Business Roundtable Redefines
	Stakeholders	3. Moriarity: Business Ethics, an	the Purpose of a Corporation to
	Capitalism and	Overview. Philosophy Compass,	Promote 'An Economy That Serves
	Distributive	2008	All Americans',
	Justice	4. Lynn Stout, <i>The Problem of</i>	https://www.businessroundtable.o
	Justice	Corporate Purpose.	rg/business-roundtable-redefines-
		5. Morton and Ariely, Building	the-purpose-of-a-corporation-to-
		a Better America – One Wealth	promote-an-economy-that-serves-
		Quintile at a Time, Perspectives	all-americans.
		on Psychological Science,	dir diricricans.
		January 2011, Vol. 6, No. 1 pp	
		9-12.	
Sept. 11	Ethics in a Global	1. Thomas Donaldson, <i>Values in</i>	1. CASE STUDY: Merck & Co, Inc,
Scpt. 11	Economy	Tension: Ethics Away from	(A), The Business Enterprise Trust,
	Leonomy	Home, From the Magazine	9-991-021.
	Roundtable 1	(HBR 1996).	2. CASE STUDY: Laurie P. Cohen,
	Roundtable 1	2. Kirsten E. Martin, Google Inc,	Chiquita Under the Gun (2007).
		in China, New York Times April	emquita onaci the dan (2007).
		23, 2006).	
		23, 2000).	
Sept. 16	Ethical Issues in	1. Sophia Moreau: What is	Three Topics for Deliverables:
	the Workplace:	Discrimination.	Group 1: "Are older applicants less
	Discrimination	Deliverable: Prepare a One	likely to be invited to a job
	2.50	Page reaction paper to one of	interview? – an experimental study
		the three topics in next box to	on ageism" Eva Berde, Manual
		be submitted to the TA by EOD	Laszo Mago
		February 4. We will discuss in	Group 2 : "Getting a job: Is there a
		class.	Motherhood Penalty?" Shelley
		Class.	Correl, Stephen Bernard, In Paik
			Group 3 : "Are Emily and Greg more
			employable that Lakisha and
			Jamal? A field experiment on labor
			market discrimination?" M.
			Bertrand, S. Mullainathan
Sept. 18	Employee Rights	1. Strudler, Confucian	
20pt. 20		Skepticism About Workplace	
	Roundtable 2	Rights (2008 Business Ethics	
	Janacasic 2	Quarterly)	
		2. Rudin & Werhane,	
		Employment At-Will,	
		Employment Rights, and Future	
		Limployinent Rights, und Future	

Sept. 23	(1) Conflicts of Interest and (2) Insider Trading Roundtable 3	Directions for Employment (2003 Business Ethics Quarterly) 3. Jeffrey Moriarity, What's in a Wage? A New Approach to the Justification of Pay, 2020 Business Ethics Quarterly 1. A. Strudler, Insider Trading, A Moral Problem, Philosophy & Public Policy Quarterly (Volume 29, Number 3/4 Summer/Fall 2009. 2. Lynn Sharp Paine, Fiduciary Relationship: A Legal Perspective, https://hbsp.harvard.edu/prod uct/304064-PDF-ENG	CASE STUDY: Conflict on a Trading Floor (A) Harvard Business School, 9-394-060 (2006).
Sept. 25	The Ethics of Profit Maximation Bluffing/ Ethics in Contract Negotiations Ethical Pricing Ethical Market Research	1. Shell, When is it Legal to Lie in Negotiations, Sloan Management Review, Spring 1991. 2. Albert Carr, Is Business Bluffing Ethical? 3. Alan Strudler, Deception Unraveled, The Journal of Psychology (Sep. 2005), Vol. 102, No. 9 pp. 458-473.	1. CASE STUDY: Martha McCaskey (Case Study 9-403-114,), Harvard Business School, January 2004 2. Sovaldi: Who's to Blame for the \$1,000 a Day Cure? April 16, 2014, https://knowledge.wharton.upenn.edu/article/sovaldi-whos-blame-1000-day-cure/.
Sept. 30	Roundtable 4 Ethics and Marketing Product Liability Advertising Roundtable 5	1.Gioia, Pinto Fires and Personal Ethics: A Script Analysis of Missed Opportunities, Journal of Business Ethics. (1992) 2. Crisp, Advertising, Autonomy and the Creation of Desire, Journal of Business Ethics, July 1987, Vol. 6, No. 5, pp. 413- 418.	1. CASE STUDY: Tobacco Marketing: Camel: Joel B. Cohen, Playing to Win: Marketing and Public Policy at Odds over Joe Camel, Journal of Public Policy & Marketing Fall 2000, 155-167, https://citeseerx.ist.psu.edu/docu ment?repid=rep1&type=pdf&doi=e a9e03ccf65e78966bbd4c563c1e70 30edbc92f6; Juul: https://portal.ct.gov/AG/Press- Releases/2022-Press-Releases/AG- Tong-Leads-Multistate-Agreement- With-JUUL-Labs;

Oct. 2	Marketing Ethics	1. David Palmer and Trevor	2. CASE STUDY: Just Do It? Nike, Social Justice, and the Ethics of Branding, https://www.mediaethicsmagazine .com/index.php/browse-back- issues/210-fall-2018-vol/3999245- just-do-it-nike-social-justice-and- the-ethics-of-branding. 3. Purdue: see, Patrick Radden Keefe, The Family That Built an Empire of Pain:The Sackler dynasty's ruthless marketing of painkillers has generated billions of dollars—and millions of addicts. https://ezproxy.villanova.edu/login ?URL=https://search.ebscohost.co m/login.aspx?direct=true&db=asn &AN=125772433&site=ehost- live&scope=site 1. CASE STUDY: Michael Moss,
	and Vulnerable Populations Roundtable 6	Hedberg, The Ethics of Marketing to Vulnerable Populations Journal of Business Ethics. Vol. 116, No. 2 (August 2013), pp. 403-413.	Extraordinary Science of Addictive Junk Food, New York Times, February 20, 2013. 2. CASE STUDY: Kedra Newsom Reeves, Mindy Hauptman, Caitlin Guzman Hartman, Ryan Curley, Mike Marcus, and Brian O'Malley, Racial Equity in Banking Starts with Busting the Myths, FEBRUARY 02, 2021, https://www.bcg.com/publications /2021/unbanked-and- underbanked-households-breaking- down-the-myths-towards-racial- equity-in-banking.
Oct. 7	Fraud Roundtable 7	1. Badaracco, Jr. Personal Values and Professional Responsibilities, HBS 9-304- 070, 2004.	Document: The Fraud Triangle, https://butlerhansen.com/wp- content/uploads/The-Fraud- Triangle.pdf. 2. United States v. Moshe Porat, et al.: https://www.justice.gov/usao- edpa/united-states-v-moshe-porat- et-al; indictment at https://www.justice.gov/usao- edpa/page/file/1481641/download 3. Operation Varsity Blues: See e.g. Daniel Golden and Doris Burke, The

Oct. 9	Accounting Fraud Roundtable 8	1. Max H. Bazerman, George Loewenstein, and Don A. Moore, Why Good Accountants Do Bad Audits, HBR (November 2002). 2. John C. Coffee, Jr. Limited Options. 2003 Legal Affairs.	Unseen Student Victims of the "Varsity Blues" College-Admissions Scandal, (October 8, 2019) https://www.newyorker.com/book s/page-turner/the-unseen-student- victims-of-the-varsity-blues- college-admissions-scandal 1. CASE STUDY: Kaplan and Kikon, Accounting Fraud at WorldCom (HBS 9-104-071, 2004). 2. CASE STUDY: Goodpaster, The Corporate Scandals of 2002 (A) Enron, Inc. (2004).
Oct. 14	Bribery and Money Laundering Roundtable 9	1. Siri Shubert & T. Christian Miller, At Siemens Bribery was Just a Line Item. 2. Weiss, The Justness of Russian Sanctions, https://sevenpillarsinstitute.org/the-justness-of-russian-sanctions/ .	Document: Transparency International Corruption Perceptions Index available at http://www.transparency.org/country 1. CASE STUDY: Peter Green's First Day (HBS 9-380-186) 1980 2. CASE STUDY: Charlotte Butler & Henri-Claude de Battignies, Changmai Corporation.
Oct. 16	Supply Chain Compliance Roundtable 10	1. In China the Human Costs that are Built into an iPad (New York Times, 2012) 2. Chris Meyers: Wrongful Beneficence, Exploitation and Third World Sweatshops, Journal of Social Philosophy, Vol. 35 No. 3 Fall 2004.	1. Supplier Codes of Conduct, e.g. Apple's, https://www.apple.com/supplier-responsibility/pdf/Apple-Supplier-Code-of-Conduct-and-Supplier-Responsibility-Standards.pdf. CASE STUDY: The Hershey Company and The Cocoa Controversy, Center for Ethical Organizational Cultures, Auburn University, https://dev.harbert.auburn.edu/binaries/documents/center-for-ethical-organizational-cultures/cases/hershey-case.pdf.
Oct. 21	Midterm		
Oct. 23	Privacy/Data Ethics	1. Joseph Turow and Yphtach Lelkes from the Annenberg Center, "Americans Can't	Document: AICPA Privacy Maturity Model (2011 version) https://iapp.org/media/pdf/resour
	Roundtable 11	Consent to Companies' Use of Their Data." 2. Joy Buolamwini, "Gender Shades", MIT Media Lab (2018)	ce center/aicpa cica privacy mat urity model final-2011.pdf. CASE STUDY: 2021 shareholder resolution to Amazon filed by

		https://www.youtube.com/wat	Harrington Investments,
		ch?v=TWWsW1w-BVo	https://www.harringtoninvestment
			s.com/wp-
			content/uploads/2021/02/Amazon
			-2021-Resolution-Final.pdf
			2. Does Facial Recognition Tech
			Enhance Security?
			by Mary C. Gentile, David Danks,
			and Maralee Harrell, HBR Magazine
			(November–December 2022)
			https://hbr.org/2022/11/does-
			facial-recognition-tech-enhance-
0-+ 20	Ethin of Conin	1 Miles Cours 2: Busseline Little	security.
Oct. 28	Ethics of Social	1. Who Cares?: Practical Ethics	1. Equifax Data Breach
	Media	and the Problem of Underage	April 30, 2021
		Users on Social Networking	By Irini Kanaris Miyashiro,
	Roundtable 12	Sites, Ethics and Information	https://sevenpillarsinstitute.org/ca
		Technology, Volume 15 Issue 4	se-study-equifax-data-breach/.
		December 2013pp 253–262	
		https://doi.org/10.1007/s1067	
		<u>6-013-9331-4</u> .	
Oct. 30	Corporate Culture	Lynne Sharp Paine, Managing	1. CASE STUDY: Volkswagon:
	Elements of an	for Organizational Integrity,	Nelson, Josephine (J.S.), The
	Effective	Harvard Business Review,	Criminal Bug: Volkswagen's Middle
	Compliance	March-April 1994.	Management (April 19, 2016).
	Program		Available at SSRN:
	 Ethical and 		https://ssrn.com/abstract=2767255
	Professional		or
	Sub-Cultures		http://dx.doi.org/10.2139/ssrn.276
	 Tone at the 		<u>7255</u> .
	Top and		2. CASE STUDY: Boeing:
	Middle		Engineering Ethics and the Boeing
	Creating a		Scandal
	Speak Up		by Robert Prentice
	Culture		https://ethicsunwrapped.utexas.ed
	Cartare		u/engineering-ethics-and-the-
	Roundtable 13		boeing-scandal.
Nov. 4	Developing an	1. The Three Lines of Defense	CASE STUDIES:
1400. 4	Effective	model,	1. Morgan Stanley: Former Morgan
	Compliance	https://www.theiia.org/globala	Stanley Managing Director Pleads
	•	ssets/site/about-	
	Program		Guilty for Role in Evading Internal
	Risk and Crisis	us/advocacy/three-lines-	Controls Required by FCPA,
	Management	model-updated.pdf.	https://www.justice.gov/opa/pr/fo
	- Root Cause	2. Sample Code of Conduct:	rmer-morgan-stanley-managing-
	Analysis	Google:	director-pleads-guilty-role-evading-
		https://abc.xyz/investor/other/	internal-controls-required (2012).
	Roundtable 14	google-code-of-conduct/.	

Nov. 6	Internal Investigations	Mayer, Why Are Some Whistleblowers Vilified and Others Celebrated? (HBR Sep. 2016).	2. Ingersoll and Locke, BP and the Deepwater Horizon Disaster of 2010, MIT Sloan Management, 10-110 (2012). 3. The Coca-Cola Company Struggles with Ethical Crises, Center for Ethical Cultures Auburn University. In-Class Exercise
Nov. 11	Social Responsibility of Business: CSR, ESG and Corporate Philanthropy Roundtable 15	1. Robert Solow: Sustainability: An Economist's Perspective. 2. Joe DesJardins: Corporate Environmental Responsibility	1. CASE STUDY: Should Business Influence the Science and Politics of Global Environmental Change? The Oil Industry and Climate Change, from Part 4, Corporate Values: International Business (A) and (B) pp. 519-546. 2. CASE STUDY: Liana Downey, Mobil in Aceh, Indonesia.
Nov. 13	Compliance and Emerging Technologies Roundtable 16 (if needed)		CASE STUDY: 1. Gideon Lewis-Kraus: Sam Bankman-Fried, Effective Altruism, and the Question of Complicity, New Yorker, (December 1, 2022), https://www.newyorker.com/news /annals-of-inquiry/sam-bankman- fried-effective-altruism-and-the- question-of-complicity. 2. 'Fake It 'Til You Make It': Meet Charlie Javice, The Startup Founder Who Fooled JP Morgan" https://www.forbes.com/sites/alex andralevine/2023/01/19/charlie- javice-jp-morgan-frank- lawsuit/?sh=4a66e0b91f64.
Nov 18	Topic Presentations	1-10	
Nov. 20	Topic Presentations	11-20	
Nov. 25	Topic Presentations	21-30	
Dec. 2	Topic Presentation	31-40	
Dec. 4	Topic Presentation	41-50	

Dec. 7	Topic	51-60	
	Presentation		
Dec. 9	Reflection Papers		
	Conclusion		

Rubrics:

I. Roundtable Rubrics

Key Takeaways Rubric:

Format:	
Slides: 2 slides: (1) Your three Key Takeaways from readings; (2) Three Key Issues you would like to	
discuss in class.	
Presentation: Presentation of slides and class response to key takeaways and issues.	
Grading: Substance, depth of preparation, and clarity; response to questions by others.	

Case Study Rubric:

Format:	
Slides: 1. Brief Summary of Facts; 2. Key Issues;	ļ
Presentation: 1. Class Discussion of Issues; 4. Resolution	ļ
Grading: Substance, depth of preparation, and clarity; response to questions by others.	

II. Topic Presentation Power Point Rubric:

Format:	
Slides (3 slides: 1. facts; 2. issues, 3. your perspective)	
Presentation: Class Discussion of takeaways and issues.	
Grading: Substance, depth of preparation, and clarity; response to questions by others)	

Final Paper Rubric:

A 5 page paper (double spaced, regular margins) on your topic presentation.

- 1. Introduction (Lays out the problem, arguments and thesis) 10%
- 2. **Discussion**: 70%. That includes:
 - **Background**, setting the stage: If there are facts relating to your issue, set them out with footnotes citing sources as appropriate:
 - Identification of ethical Issues tying them to what we discussed in class.
 - Analysis of the Ethical Issues. In this section you should:
 - o Cite and discuss relevant materials from class appropriate to the topic.
 - o Make reasoned and well-thought-out argument(s) and

- Address any clear weaknesses in argument or responses to argument with reasonable responses/counter-arguments
- 3. **Conclusion** (succinct recap of arguments) 10%
- 4. **Organization:** I will look at organization/clarity, style, formatting, spelling etc.: 10%.

You MUST include the following Affirmation at the end of the paper:

"I affirm that I have not, in any way, used any generative AI tool or other similar or equivalent tool, in preparing or writing any portion of this paper, and understand that if I have done so and not disclosed it here, this would be a violation of the School's Honor Code."

The paper is due on the first day of exams.