



# Hot Topics Descriptions For Business

## ETHICS GAME'S HOT TOPICS SIMULATIONS: ETHICS DILEMMA DESCRIPTIONS

EthicsGame's simulations provide a practical and repeatable decision model. By challenging participants to solve real world ethical cases from multiple ethical perspectives, or lenses, our simulations teach participants about their own values. Students also consider how the interests of other stakeholders impact the decision process.

One simulation, or module, consists of two dilemmas, an "A" dilemma and a "B" dilemma. The dilemmas are easy to mix and match and can be integrated into a standing syllabus. The only requirement is for each simulation to include one "A" dilemma and one "B" dilemma. You can add a single simulation to enhance your syllabus or several simulations to reinforce learning through application.

### DILEMMA DESCRIPTIONS: LEVEL 1: INDIVIDUAL CONTRIBUTOR; LEVEL 2: MANAGERIAL ROLE; LEVEL 3: LEADERSHIP/POLICY ROLE

#### "A" DILEMMAS - BUSINESS SETTING: G BIOSPORT, A FICTITIOUS BIO-TECH COMPANY

Dilemma Name	Topic/Law	Level/Issue	Description
<i>The Case of the Missing Forms</i>	Clinical trials- informed consent; missing data; torts	<i>Level 1</i> <i>Problem:</i>	<b>Senior Clinical Researcher:</b> You are compiling the reports for a Phase II Clinical Study. A team member at one of the research sites reports that the informed consent forms have been lost. The informed consent forms are essential if the results are going to be included in the study. Further, if the forms aren't kept properly, the FDA (the regulatory agency) can censure the company.
		<i>Issue:</i>	How to ensure the integrity of the clinical studies when you have not followed (or cannot show that you have followed) the required protocols for good research.
<i>The Case of the Mysterious Blogger</i>	Non-disclosure agreements; First Amendment privacy; at-will employment	<i>Level 2</i> <i>Problem:</i>	<b>Associate Director of Operations:</b> You have put in a new computer security system. Despite the precautions, an unidentified company employee continues to violate the company non-disclosure agreement by posting proprietary information on a private blog. One of your IT employees, at home and without company authorization, discovers the blogger's identity by hacking into the blog site's ISP and then the blogger's home computer, and shares the information with you.
		<i>Issue:</i>	Whether you should use the information obtained by the hacker to discipline the blogger for violating the NDA.
<i>The Case of the Fair Warning</i>	Quality control; consumer protection; products liability; torts	<i>Level 2</i> <i>Problem:</i>	<b>Quality Control Manager:</b> You are responsible for the quality of the company's products. The internal testing laboratory has fallen behind schedule and has just delivered the report for a batch of a patented ingredient used in products already in stores for retail sale. This particular ingredient is used in 80% of the company's products. The test results show that the level of a minor contaminant exceeds the internal quality control standards, although not external standards. The contaminant poses a small risk of harm to a small percentage of potential users of the products: those with compromised immune systems.
		<i>Issue:</i>	Whether to warn and what information to provide to consumers about the contaminant.

<i>The Case of the Mysterious Roses</i>	Title VII- sexual harassment	Level 2 Problem:	<b>Director of Sales:</b> You have received information from several different people about what may be sexual harassment of one of your direct reports. She has now asked to speak with you confidentially.
		Issue:	Whether you can agree to maintain the confidentiality of an employee's communication with you when you believe the communication will be a disclosure of sexual harassment.
<i>The Case of the Slick White Paper</i>	Plagiarism; research fraud	Level 1 Problem:	<b>Senior Scientist:</b> You have a deadline for a journal publication and have not had time to write the paper. One opportunity is to work with a ghostwriter. Another opportunity is to collaborate with a junior researcher who has a paper that covers the same material and is very well organized.
		Issue:	Whether you can agree to maintain the confidentiality of an employee's communication with you when you believe the communication will be a disclosure of sexual harassment.
<i>The Case of the Chinese Custom Official</i>	Foreign Corrupt Practices Act; bribery	Level 3 Problem:	<b>Senior Product Manager:</b> You are responsible for the launch of the product in a new market: China. Although the sales figures look good, there appears to be a problem with the numbers. After careful analysis, you suspect that some of the product shipped to China is being sold on the black market by the director of the customs center through which the product is shipped before being transported to stores and gyms for sale.
		Issue:	Whether you can reduce the losses without violating the Foreign Corrupt Practices Act or reporting the customs official and risk putting his life in danger.
<i>The Case of the Really Sweet Deal</i>	Conflict of interest- gifts; Sarbanes-Oxley	Level 3 Problem:	<b>Vice President of Clinical Operations:</b> You are developing a relationship with a Board member. The Board member proposes a business partnership with a friend of theirs. The suggestion is that you explore the opportunity during an entertainment event the friend is sponsoring at which the Board member will also be present.
		Issue:	Whether you can fully evaluate this opportunity without engaging in a conflict of interest.
<i>The Case of the Friendly Audit</i>	Independent judgment; fraud; Sarbanes-Oxley	Level 3 Problem:	<b>Audit Partner:</b> As a senior officer in the CPA firm working with G-BioSport, you have to determine whether an aggressive mark-to-market valuation of material assets on the company's balance sheet is an appropriate valuation. The CFO of G-BioSport is pressuring you to not question the valuation.
		Issue:	How to respond to pressure from the client over an audit issue that can undermine the independence of client's annual audit.
<i>The Case of the Mangled Miracle Drug (Part 1)</i>	Product safety; International Marketing	Level 3 Problem:	<b>VP of Business Development:</b> Your company has developed a true miracle drug: a cure for HIV. However, a recent batch of the drug is badly contaminated, such that up to 10% of those who take it may suffer another fatal illness as a side effect. You are approached by the Minister of Health of a small African country willing to buy the contaminated product, with full awareness of the risks and complete willingness to disclose the side effect, in order to save lives. This sales opportunity may be the only opportunity to ensure the batch is not wasted entirely and the revenue lost.
		Issue:	Whether you can ethically sell a product you know will directly result in a high incidence of fatal side effects at the same time that a greater number of lives can be saved with the sale.

<i>The Case of the Hot New Market</i>	<i>Conflict of interest-product placement; fraud; insider trading (Sec. 10b-5)</i>	<i>Level 3 Problem:</i>	<b>Vice President of Sales and Marketing:</b> You've been talking with a board member that has a company that provides training videos and classes for people in the health club industry. He wants to expand into continuing medical education and has suggested a partnership in which your company provides financing and benefits from product placement in the training materials. You know that product orders tend to increase following sponsorship of continuing medical education events.
		<i>Issue:</i>	How to partner with the Board member to provide continuing medical education: whether to disclose financial support, place or discuss products in training materials, and how to avoid a conflict of interest.
<i>The Case of the Superficial Statistics [G-Bio-Sport]</i>	<i>Use of accurate statistics in marketing</i>	<i>Level 1 Problem:</i>	<b>Vice President of Sales:</b> You are preparing the launch of a new product, a calorie-burning supplement. To support the launch, the marketing department hired a research firm to conduct an independent survey. You receive the results from the VP of Marketing ten days before the scheduled launch, but you soon find out the survey may have been compromised by selection bias and a non-random sample. Taking the time to get accurate results would not only delay the launch but would also likely produce less favorable statistics.
		<i>Issue:</i>	Whether to rely on the independent survey results to meet the launch window and stay competitive or to delay the launch to ensure your data provides accurate and thorough information for consumers.
<i>The Case of the Wayward Water [State Department of Environmental Quality]</i>	<i>Sustainability; ethics and economics of hydrofracking</i>	<i>Level 3: Problem:</i>	<b>Staff Engineer in charge of Quality:</b> You have been asked to make a recommendation to the state board responsible for drilling regulations. You are being lobbied by two groups: the companies who want to move ahead with for hydraulic fracturing, a process that will contaminate an area of groundwater and environmentalists who are concerned about contaminating the groundwater. You have received a 100-year projection on the effects of these contaminants and, according to the data, the impact seems minimal. However, the affected area is close enough to a residential area that if the projection is off, the impact would be substantial.
		<i>Issue:</i>	Whether you should trust the projections enough to make the deal or err on the side of caution at the cost of losing or reducing the money your community would gain from the royalties from drilling.
<i>The Case of the Underperforming Division</i>	<i>Embezzlement; whistleblowing</i>	<i>Level 2 Problem:</i>	<b>Internal Audit Manager:</b> You are conducting a routine operations audit. You discover that one division has excessive costs, although they have not produced the same clinical output as the other divisions. Furthermore, you discover that the Division Director, who approves all expenses, has not taken a vacation in two years and may be having an affair. Both of these factors can be warning signs for embezzlement.
		<i>Issue:</i>	How to present your audit findings regarding the division, and to whom.

**“B” DILEMMAS - BUSINESS SETTING: G BIOSPORT, A FICTITIOUS BIO-TECH COMPANY**

Dilemma Name	Topic	Level/Issue	Description
<i>The Case of the Disingenuous Report [G-BioSport]</i>	<i>Use of accurate statistics in marketing</i>	<i>Level 1 Problem:</i>	<b>VP of Marketing:</b> You have requested a customer survey to send to a magazine that publishes consumer reports. When the results come in, you find that one product shows a much shorter list of customer responses than the others. The responses that remain paint a very good picture of the product, but you receive information that the report is materially flawed because the negative feedback has been removed. Reconstructing the data is impossible, but you might lose the marketing opportunity for all your products if you don't have a complete report to submit.
		<i>Issue:</i>	Whether to include the anomalous results or move ahead without them.
<i>The Case of the Unsatisfactory Response</i>	<i>Financial statement fraud; SEC violations</i>	<i>Level 2 Problem:</i>	<b>Internal Audit Manager:</b> Your job includes regular audits of the company's financial statements. In the process of one such audit, you have questions about numbers that don't seem quite right. You follow up with the accountant who made the entries, assuming there is a valid explanation and supporting documentation. However, you are told simply that a "high level executive" authorized the entries. You know that something very similar happened in two infamous fraud cases.
		<i>Issue:</i>	Whether to pursue supporting documentation for the mysterious accounting entries.
<i>The Case of the Veiled ID</i>	<i>Title VII-religious expression</i>	<i>Level 2 Problem:</i>	<b>Associate Director of Operations:</b> Following a break-in by a former employee, you implemented a key-card system that includes a picture ID. One of your employees is a Muslim who wears a veil that covers her entire face. Her religious tradition prohibits any male except a close relative from seeing her face unveiled. Both the photographer and some security guards who would check the IDs are male.
		<i>Issue:</i>	How to balance the need to maintain appropriate security for all employees while acknowledging the religious expression of a particular employee.
<i>The Case of the Fudged Results</i>	<i>Adverse results on clinical trials; integrity of research; FDA regulations</i>	<i>Level 1 Problem:</i>	<b>Senior Clinical Researcher:</b> You note that one of your research sites is getting negative results in a small sample of their test subjects, all of whom are Norwegian males. You have not kept data on the racial heritage of test subjects who put down "white" as their racial heritage.
		<i>Issue:</i>	Whether to include the anomalous results or move ahead without them.
<i>The Case of the Contaminated Air</i>	<i>Environmental laws; sustainability; international partnerships; customer confidence</i>	<i>Level 3 Problem:</i>	<b>Vice President of Operations:</b> On a routine visit to the plant in India that is supplying ingredients for your products, you discover that toxins are contaminated the air in and around the plant. When you ask, you are informed that the processes meet or exceed local environmental regulations for safety but they do violate USA environmental standards. To clean up the process would be pricey; to not clean up the air could severely damage its reputation and brand.
		<i>Issue:</i>	Whether to insist on that your supplier institute practices to guarantee that the local air supply will not be contaminated.

<i>The Case of the Clever Pitch</i>	<i>Capital formation; board relations; SEC and SOX</i>	<i>Level 3 Problem:</i>	<b>Chief Financial Officer:</b> You are putting together a proposal for funding from a key venture capital firm. If successful, you'll raise \$32 million to complete testing and market a promising new product. Your team has data and projections to paint an enticing picture for potential investors. However, you are aware of potential problems with the research results. You are also aware that your sales projections include off-label sales, although your sales team can't directly promote off-label use of prescription drugs.
		<i>Issue:</i>	Whether to include all the information you have in the proposal to the venture capitalists.
<i>The Case of the Concealed Contaminants</i> [Department of Environmental Quality]	<i>Sustainability; ethics &amp; economics of hydrofracking; trade secrets</i>	<i>Level 3 Problem:</i>	<b>Staff Engineer in charge of Quality:</b> You have been asked to make a recommendation to the state board responsible for drilling regulations. The companies intend to use a proprietary mixture for hydraulic fracturing that is comprised of 98% water and sand with the remaining 2% consisting of a particular mix of chemicals. You can ask for a list of the chemicals used, as well as their exact proportions, which would allow accurate research on the environmental impact, but doing so would require the oil companies to reveal proprietary information. They argue that if they are unable to protect their trade secrets, the motivation for research to maintain a competitive edge is gone, and thus safer and more effective formulas will never be developed.
		<i>Issue:</i>	How to balance between protecting a company's trade secrets and the public's right to information that will help assure the water source is not contaminated.
<i>The Case of the Canadian Labels</i>	<i>Integrity in international sales</i>	<i>Level 3 Problem:</i>	<b>Senior Product Manager:</b> Your marketing team has come up with what they think is a brilliant idea: to market product sold in Canada with the label "China free." This idea is designed to gain market share in the new Canadian market quickly by playing on rising consumer fears following a barrage of media reports on deaths from contaminated food and drug products with ingredients from China. To complicate matters, some of your product may soon contain ingredients from China, although they do not at the moment.
		<i>Issue:</i>	Whether it is possible to address consumer fears by providing safety information without violating labeling regulations and without unfairly targeting one group of suppliers.
<i>The Case of the Competing Suitors</i>	<i>Non-disclosure/non-compete clauses; contracts</i>	<i>Level 3 Problem:</i>	<b>Vice President of Clinical Operations:</b> Your team has just completed clinical testing using a Clinical Research Organization (CRO) as a partner. Both of you anticipate expanding the partnership for a new product. You know the CRO is in the process of making capital expenditures in anticipation of expanding the partnership. Suddenly, a CRO you courted unsuccessfully in the past wants to partner for the new product. It appears they may be a better fit for this product.
		<i>Issue:</i>	Whether you can develop both business opportunities simultaneously with integrity.

<i>The Case of the Mangled Miracle Drug (Part 2) [G-BioSport]</i>	<i>Product safety; International Marketing</i>	<i>Level 3: Problem:</i>	<b>VP of Business Development:</b> Your company has developed a true miracle drug: a cure for HIV. However, a recent batch of the drug is badly contaminated, such that up to 10% of those who take it may suffer another fatal illness as a side effect. You are approached by the Minister of Health of a small African country willing to buy the contaminated product, with full awareness of the risks and complete willingness to disclose the side effect, in order to save lives. This may be the only opportunity to ensure the batch is not wasted entirely.
		<i>Issue:</i>	How to balance a community's need for containing an epidemic with the possibility that individuals will be harmed because of the toxicity of the drug and your reputation will be damaged.
<i>The Case of the Cold Feet</i>	<i>Whistleblowing; fraud</i>	<i>Level 1 Problem:</i>	<b>Senior Scientist:</b> You are reviewing a draft of an article written by a colleague that has been accepted to a prestigious journal. As you read it, you notice that the work includes information in a white paper written by a junior researcher that you reviewed. The data in the article does not match the data in the white paper. You poke around and discover that data was omitted that showed adverse effects to the drug. You also know from your own research that the data in the article cannot be replicated.
		<i>Issue:</i>	What to do when you believe that a colleague has falsified data in a report.
<i>The Case of the Stringent Standards</i>	<i>Product liability; international safety standards</i>	<i>Level 2 Problem:</i>	<b>Quality Control Manager:</b> You have noticed that the level of contaminant in a patented ingredient used in 80% of the company's products has increased, while external standards have become stricter. The level of contaminant now exceeds the legal limit for sale in the company's home country. However, several foreign markets in which the product could be sold either have a lower standard, which the contaminant does not exceed, or no regulations regarding the legal amount of the contaminant. The contaminant still poses a very limited risk of harm to a small percentage of potential users.
		<i>Issue:</i>	Whether to sell a product that does not meet home country safety requirements in a foreign market that has lower safety restrictions.
<i>The Case of the Great Off-Site</i>	<i>Title VII- sexual harassment</i>	<i>Level 2 Problem:</i>	<b>Director of Sales:</b> Following a company off-site function, two employees have informed you that one of your direct reports behaved inappropriately at the function and that they were offended and distressed by this behavior. Before you have a chance to do anything, the offending employee himself sends a company-wide e-mail apologizing for his behavior.
		<i>Issue:</i>	Whether you have authority to discipline the offending employee for behavior not on company premises. If you do have authority, then how to appropriately reprimand the offending employee.