

Public misbehavior illustrates need to revive ethical standards

By Dean Poeth

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The parade of headlines describing the ethical lapses by our public servants seems to never end. In just the last few years New Yorkers have painfully witnessed the moral shortcomings of two governors, a former Schenectady police chief, a former State Comptroller, a former State Health Commissioner, the former head of the State Consumer Protection Board, several Capital Region police officers, the former Senate Majority Leader, a censured Albany County Family Court judge, a censured member of the House of Representatives, and most recently, charges by federal prosecutors that a State Senator took bribes in exchange for political favors.

Governor Andrew Cuomo alluded to these ethical shortcomings during his State of the State address, and for good reason. The consequence of this moral turpitude is real and far reaching, fueling the fires of mistrust and cynicism. Just one generation ago most children exclaimed that they'd like to be a police officer or other public servant when they grew up. Now many exclaim that they'd rather be almost anything else.

PRIVATE-SECTOR LAPSES

Unfortunately these ethical failings are not limited to our public servants. Recently an upstate New York business executive pled guilty in federal court to supplying defective screws on a defense contract. According to authorities, his company manufactured substandard screws for military helmets, and falsified documents to cover it up. This individual potentially put the lives of our soldiers at risk, and he now faces up to five years in prison.

National examples have included the explosion at the Upper Big Branch Mine last April. Twenty-nine miners were killed in the worst mining disaster in almost 40 years.

In a hearing shortly after the disaster, senators accused the company of placing profits above the safety of their employees. The Justice Department has launched an investigation into whether there was criminal activity by the mine's operator, Performance Coal, a subsidiary of Massey Energy.

The explosion and sinking of the offshore exploration rig Deepwater Horizon is an example of how the apparently relentless drive to maximize shareholder equity can sometimes have tragic consequences. The explosion and fire killed 11 workers, injured 17, and flooded the Gulf of Mexico with an estimated 200 million gallons of crude oil. BP now faces a criminal investigation, and the value of BP stock plummeted more than \$100 billion immediately after the disaster.

These cases are a reminder that even in a deadline driven world, it is important to consider the ethical implications of decisions. Yet they also illustrate that some apparently believe that business needs trump integrity.

NEED TO RAISE BAR

As recent events show, such ethical myopathy has a way of eventually finding its way to the front page. In a country that continues to abandon the values of its Judeo-Christian heritage, businesses need, now more than ever, to raise the ethical bar. At stake is no less than our credibility, integrity, and fiduciary responsibility.

For some, like Enron's Jeffrey Skilling, it has also meant incarceration.

Ethics has never been about doing what's right when people are watching. Everyone does that. Everyone slows down when they see a police car parked in the median. Ethics means doing what's right even when you think no one will ever find out.

The antithesis of these individuals is William LeMessurier. He was the structural engineer responsible for the construction of the Citigroup skyscraper in downtown Manhattan.

After construction was completed, LeMessurier discovered a problem with the building. Instead of the steel members being joined using welds as required in the original specifications, he found they had been bolted together. An analysis indicated that as a result of this change the skyscraper could be susceptible to collapse from a sixteen-year storm.

Despite believing that disclosure of this problem would destroy his career and reputation, LeMessurier's response was decisive. He developed a plan to correct the problem and informed Citigroup of his discovery. Citigroup immediately implemented the modifications, absorbing a significant portion of the cost. Because of his actions LeMessurier may have saved many lives. Later he would find that, even though his insurance company had paid \$2 million to retrofit the building, they actually reduced his premiums because he had the courage to come forward. Would you have done the same?

A person's inner character is demonstrated by how they react when things go wrong, not when they go right. In this post-Enron era, it is only moral fortitude such as demonstrated by LeMessurier that will prevent political and corporate misconduct from appearing on tomorrow's front page.

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