

Case Study

Cliff Sessoms

Ethics SPEA V-509

November 16, 2010

## **INTRODUCTION:**

The intent of this paper is to critique the ethical issues within the organization and provide guidance on how to correct any problems that are found. The structure of this paper will be as follows: Introduction, Problems, Critical Analysis, Recommendations, and a Conclusion. Furthermore, under each section I will list a more precise explanation of the topic. First under the Problem section I will go into more detail on who the major players are, what problems are created because of their actions and what overall part they play in the case study. Second under Critical Analysis I will give a detail explanation of the problems and the potential affect the problems have on the organization and other stakeholders. Third under Recommendations I will suggest a solution on how to fix the problems and potential punishment for the responsible parties. Finally, I will conclude with an overall statement about the case study.

## **PROBLEMS:**

I have found many problems within this case study, as well as several major players. In an effort to organize my thoughts and present the issues in a well structured and meaningful way I will list who the major players are, along with a brief description concerning their job or position. Because many of the players and their actions correspond or interact with each other I will list the major problems under this section. I will give a detailed explanation about the problem and who is responsible under the Critical Analysis section.

### **Major Players:**

1. Mr. John Bull is the Mayor of Ozoro and is responsible for the operation of city government.

2. Mr. Karo is an accountant with the City of Ozoro and has held the following positions during his 35 years of service: Assistant Manager, Manager and Acting Director in the budgeting, transportation, tax, auditing, mayor's office, payroll, and accounting and planning departments.
3. Mr. Ajiri is a successful public sector contractor in the City of Ozoro and the brother of Mr. Karo.
4. Ms. Bola is an accountant with the City of Ozoro and is later promoted to the position of Senior Accountant.
5. Mr. Obaro is the governor of the State of Delta and is also responsible for the local government affairs within the state.
6. Tony Okoro is the Commissioner of Works for the State of Delta.

**Major Problems:**

1. Unfair bid process practices by Mayor Bull, Mr. Karo and Mr. Ajiri.
2. Bribery involving Mayor Bull, Mr. Karo and Mr. Ajiri.
3. Discrimination and unfair labor practices by the Mayor.
4. Theft by some of the employees in the way of stealing property and excessive spending of taxpayer money for personal gain.
5. Failure to report unethical and even criminal actions by city employees.
6. Theft, misconduct, and misuse of office by Governor Obaro and his staff.

**CRITICAL ANALYSIS:**

There are several serious ethical and even criminal issues that have occurred within the city and state government. The first example involves Mayor Bull, Mr. Karo, and Mr. Ajiri.

During a lunch meeting between Mayor Bull and Mr. Karo, the mayor told Mr. Karo that his brother has a good chance of winning a bid with the city if he lowers his bid so he will come in under the other bids that have been placed. The bid process is designed to prevent this very thing from happening. It is unethical and most likely criminal for the mayor to divulge this information prior to the bid being awarded to the lowest bidder. Furthermore, as payment for giving this information to Mr. Karo the mayor is asking for a \$50,000 bribe to ensure Mr. Ajiri receives the bid. Mr. Karo takes the information to his brother and they conspire to pay the \$50,000 to the mayor in exchange for the \$5 million bid being given to Mr. Karo's brother, Mr. Ajiri.

There is little doubt that all three have made a serious unethical choice as well as committing bribery of a public official. Mr. Karo recognized the potential outcome should this deal ever become public, however he chose to listen to his brother and the mayor.

Another problem occurs after Mayor Bull is elected to office. As the new mayor he redesigned the structure of the city administration without consulting with the city council or asking for feedback from his deputy mayor and directors. Although it is not necessarily illegal for the mayor to make these decisions, it does create the likelihood that those left out will feel resentment and probably did lead to some of their unethical choices mentioned later in the case study. The question must also be asked, is it unethical? Since the very essences of ethics is doing the right or wrong thing and making the right or wrong decision, I would say the mayor was not making these choices to better the situation but instead to design an administration that would be likely to carry out his marching orders without question. At heart he was not trying to do the right thing but instead restructure the administration to better serve him.

In the book titled *Public Administration*; Clerkin, Kravchuk, & Rosenbloom (2009) explain an analysis done by Robert Tannenbaum and Warren Schmidt where they described a continuum from boss to subordinate centered leadership styles. In the boss centered style the boss makes a decision and announces it, where on the other end of the scale the manager permits the subordinates to make decisions within broad limits defined by the manager. Mayor Bull certainly exhibits the leadership style of a boss who makes the decision without input and then announces those decisions. In most circumstances the mayor has the right to design his administration without input from the council, whose main function is to manage the budget of the city. However, it makes for a much healthier work environment if there is some sense of cooperation and a feeling that your input matters. I believe this is best described by the second Universal Principle of Ethical Duties that Dr. Dible (2010) lectured about in class – Religious Injunctions. In this principle expressed by St. Augustine and Thomas Aquinas it is stated, “we should take no action that is not kind and that does not build a sense of community, a sense of all of us working together for a commonly accepted goal”. For an organization to be successful there needs to be a sense of belonging, a sense that everyone should be working for the same common goal.

Furthermore, the mayor seems to have a double standard when it comes to enforcing the city policies. This apparently is the case when it comes to treating everyone the same. In the case study it is clear that he allows the directors he appointed to have much broader decision making abilities than those who were already in place prior to his election to office. Finally, he further infuriated the workers by firing over 200 people and by discriminating against the older employees and women. Title VII of the Civil Rights Act of 1964 prohibits employment discrimination based on race, color, religion, sex, or national origin and the Age Discrimination

in Employment Act of 1967 (ADEA) protects individuals who are 40 years of age or older (Equal Employment Opportunity Commission [EEOC], 2010).

The next problem involves theft by way of stealing city property, claiming reimbursement for personal expenses, and using taxpayer money to pay for personal charges. In these examples Ms. Bola, who began as an accountant and was later promoted to the position of Senior Accountant for the city, observed the inappropriate behavior. First she noticed Mr. Karo making copies of auditing and consulting software used by the city to do business with its clients. Mr. Karo was using the software to do consulting work on the side, a clear violation of policy. She also knew that Mr. Karo was stealing a small amount of money from the city but chose to overlook his theft because she needed him to fulfill her hopes of being promoted.

After being promoted to the Senior Accountant position she received an envelope from the mayor which included receipts from an economic development conference that he had attended. In addition to the receipts from the conference were receipts for a personal vacation that he and his wife had taken to a Caribbean Resort. It was fairly obvious that the mayor wanted Ms. Bola to pay his personal expenses along with valid work related expenses.

Finally, while doing an internal audit Ms. Bola noticed that 30 percent of all long distant calls were personal calls totaling an estimated \$43,000 for a three month period. It was obvious from the case study that there were some city staff members that she did not want to punish for violating the policy against personal phone usage, so she decided not to report the violations.

I have already mentioned several ethical violations, but something that is similar with all of these issues is that someone knew unethical choices were being made and could have taken steps to intervene. I believe it could be stated they had an obligation to report the activity. It may

be safe to say that those who knew and did nothing to prevent the violations are just as guilty as those who were carrying out the act.

As an example, if Mr. Karo had stood his ground and told the mayor and his brother no then he may have prevented the paying of money to secure an illegal bid and the criminal act of bribery. Likewise had the mayor involved other stakeholders in the structuring of his administration then perhaps there would have been less of a chance that only “yes men” would have been placed in those positions. If other city officials who witnessed the mayor’s obvious discrimination against former city employees had spoken up, perhaps they could prevent what eventually will lead to low morale and even future lawsuits against the city.

Finally, Ms. Bola had several opportunities to report the thefts that were occurring as well as the enormous cost to the taxpayers from all of the personal long distance phone calls. Instead she was more concerned about her hopes for future promotions -- in really she was part of the problem.

The final problem deals with ethical issues at the state level of government but also relates to the local issues. Mr. Obaro is the governor of Delta and also a close friend to Mayor Bull. In addition to his responsibilities to the state he also is the central authority to which the local government officials report. There are many ethical issues when it comes to Governor Obaro’s administration. Most revolve around his misuse of taxpayer money for personal gain and his misuse of power to benefit himself and his political party. During his tenure in power the people of Delta witness unparalleled misery, lack of government protection of the people, and an obvious violation of public trust.

In the first example a National Guard that was formed to protect the people was used to destroy two towns simply because the people had demanded reparation for environment and economic damage caused by government sponsored drilling for petroleum and natural gas.

An anti-corruption program in reality was a total failure with the governor using over \$1.5 billion in taxpayer money to finance the nation's presidential campaign. In contrast a vast majority of the schools were dilapidated and many of the hospitals and roads were in deplorable shape. Moreover, Governor Obara disbanded the Delta State Petroleum Trust Fund (PTF) that supplied much of the needed drugs to local hospitals. However, at the same time he poured over \$300 billion into the Works Department for the construction and/or repair of roads. Consequently during this time there was no construction of new roads and the existing roads continued to deteriorate.

Furthermore, there was no investigation into what happened to the money that was appropriated to the Works Department. Moreover as an alternative of investigating the Works Commissioner, Tony Okoro, in connection with the misappropriated funds he was instead promoted by the People National Party (PNP) to be the Chairman of the Board of Trustees.

It is clear that Governor Obara's administration was more concerned with self preservation and personal gain than with caring for and providing basic quality of life resources to the people of the state. He is unfair and partial when it comes to delivering justice to other bureaucrats; he used the Economic and Financial Crime Commission to arrest political foes and local government officials without first consulting with local elected officials; and he often would travel to deal with international issues while leaving the state problems unattended during economic hard times. It seems Governor Obara's has no sense ethical responsibility towards the

people of Delta and he is only concerned about how to improve his personal life and move forward the agenda of the People National Party.

**RECOMMENDATIONS:**

With so many ethical concerns at both the local and state level it is difficult to know exactly where to begin. It becomes especially hard when the problems are prevalent not only at the local level but also at the top level of state government. With this in mind it would be important to find someone at the federal level who could initiate an investigation into the ethical and criminal concerns with the governor's and mayor's administrations.

I believe a detailed criminal investigation along with a parallel ethics violation investigation must be conducted. The governor must be removed from office and prosecuted on his many acts of misconduct and misappropriation of taxpayer's money. Tony Okoro should also be removed from his position as Commissioner for Works and if an audit of his budget shows he misappropriated money then he should also be charged criminally.

The case study mentions mainly these two characters in the state government; however it is highly likely that corruption is more widely spread throughout Governor Obaro's administration, therefore a concerted effort must be made to audit the entire budget and investigate all state employees who are in the chain of command under the governor. All employees who are found to have committed a criminal act should be prosecuted and fired.

As far as the local officials in the City of Ozoro a similar investigation should be taken to find all aspects of criminal and unethical activity by all city employees. Mayor Bull must be removed from office and prosecuted for receiving a bribe and theft for using public funds to pay for his personal vacation. Mr. Karo must be terminated from his employment with the city and

prosecuted for bribing a public official and theft for stealing city property. His brother Ajiri should also be prosecuted for bribing a public official and barred from doing business with the city in the future.

Ms. Bola should be fired from her position with the City of Ozoro for her part in not reporting the criminal activity she witnessed. As a leader and manager she is required to take action and speak up when she realized other co-workers were stealing from the public. Furthermore, it is very possible she could be charged with a crime if she knew the mayor was stealing public money by receiving a reimbursement for a personal trip, especially when she is the Senior Accountant and must sign approving the request.

After the investigation is complete and the local and state employees have been terminated from their job it is important that safeguards are put into place to prevent such activity in the future.

It is critical a code of ethics is developed for both the local and state government. In their book, *Understanding Business Ethics*, Peter and Sarah Stanwick (2009) define a code of ethics as “a written document that explicitly states what acceptable and unacceptable behaviors are for all the employees in the organization” (p. 180). However, it does very little to just have a code of ethics and not do more. In his lecture Dr. Dible (2010) states for an organization to be successful in maintaining an ethical working environment the organization must not only have a written ethics standard but must also have ethical training, a dedicated ethics office and a means or mechanism to report misconduct.

The employees must believe they have the right to speak up if they see activity that is unethical, even if it is their boss. Fostering this type of relationship is critical to prevent such

activities as those mentioned in the case study. In reality many of the employees could see others getting away with their unethical activity and like a cancer it began to spread throughout the organization. It is no different than a parent and child relationship. If a child sees her parent doing something then they believe it is ok for them to do the same thing.

Finally, there must be a fair practice of implementing organizational policy to all employees, from the top down. This is definitely the case where the mayor systematically discriminated against the older employees and women, and practiced a double standard when it came to policy enforcement. In their book, *Public Ethics in Public Administration*, Geuras and Garofalo (2005) speak about the basic deontological ethical theory by saying an action does not depend upon the consequences, but upon an important feature of the act itself (p. 53). It may be necessary to lay off employees because of budget constraint but the process must be done in accordance with the law not based on your personal preferences.

## **CONCLUSION:**

Although this case study is based on fabricated people and actions it is not hard to believe that such things occur in public organizations throughout the world. In fact you can hardly read a paper or tune into a newscast without hearing about a public official somewhere committing a criminal act or making an unethical decision. I believe the resounding theme we have learned throughout this Masters program is how important the public trust is to those of us who serve as public servants. It takes more than just having a written code of ethics tucked away in a book somewhere on the shelf. We must keep that book open, train our people, fine tune the document as changes occur, and make sure our employees have a well defined and easy to follow mechanism to report misconduct.

## REFERENCES

- Garofalo, C., & Geuras, D. (2005). *Practical Ethics in Public Administration* (2<sup>nd</sup> ed.). Virginia: Management Concepts.
- Rosenbloom, D., Kravchuk, R., & Clerkin, R. (1994). *Public Administration: Understanding Management, Politics, and the Law in the Public Sector* (7<sup>th</sup> ed.). Boston: McGraw-Hill.
- Stanwick, P., & Stanwick, S. (2009). *Understanding Business Ethics* (1<sup>st</sup> ed.). New Jersey: Pearson/Prentice Hall.
- U.S. Equal Employment Opportunity Commission. (2010). *Federal Laws Prohibiting Job Discrimination Questions and Answers: Federal Equal Employment Opportunity (EEO) Laws*. Washington, DC: Author. Retrieved from <http://www.eeoc.gov/facts/qanda.html>.