

Experiential Ethics

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Now that the likes of Bernie Madoff, Enron, and WorldCom have dominated headlines, the secret is out—white-collar crime could be anywhere, at any time. Public outrage at the billions stolen has fed politicians' appetites for stronger penalties, for both individuals and the companies employing them.

The most well-known iteration of this legislative upheaval is the Federal Sentencing Guidelines for Organizations (FSGO). Post-Enron amendments to the FSGO reward organizations for good behaviors and punish for bad behaviors. In addition, organizations now are being held accountable not just for their compliance programs, but also for their ethical cultures.

In response to this trend, we recently offered for the first time “Reclaiming the Human Spirit: Prison Experience and Learning from White Collar Offenders,” a semesterlong MBA elective at Saint Louis University's John Cook School of Business. The course educates students about corporate fraud issues and heightens their ethical awareness. It combines online training, class discussion, and field immersions that take students out of the classroom and into the world of white-collar crime. The course goes beyond teaching MBA students about the causes and nature of white-collar crime. It gives them a newfound appreciation for the realities of life during and after prison.

Course Structure

The course was made possible by support from Douglas W. Burris, Chief U.S. Probation Officer of The Eastern District of Missouri—St. Louis and the Federal Probation Office in St. Louis. The probation office allowed students firsthand

looks into the way the federal correctional system works, from the first charges against offenders, through their sentencing and incarceration, to their probation and unsupervised release.

Coordinating site visits required a small class size—our first class had only eight students, including an accountant, insurance broker, banker, management analyst, a JD/MBA, a healthcare/MBA, and two full-time MBA students. The group was diverse, but they all recognized how prominently regulation, ethics, and compliance will feature in their professional lives.

We were able to support the fluid structure of the course by using a “flipped” format. Students learned the fundamentals of the course on their own time by watching previously recorded videos on business ethics, international ethics, and fraud prevention. Class time was devoted largely to discussion, and our field immersions brought students experiences that no in-class or online lecture ever could.

Students completed two papers, a quiz, and a presentation, and they were graded on their ability to connect the lessons of their site visits and classroom experiences to the learning goals of the class.

Class Discussion

We asked students to explore white-collar crime from an organizational perspective. Class discussion centered on the so-called “fraud triangle,” which holds that three factors must be present for most white-collar crimes to occur: the pressure to break the law, the opportunity to do so, and the rationalization of the wrongdoer to justify the behavior.

Students learned about common pressures that precede employees' bad behavior, such as decreases in

pay or work hours, the perception of mistreatment, or ethically complacent organizational cultures. Students then learned ways to reduce the opportunity for wrongdoing by better identifying, preventing, and responding to violations.

Students also gained a more nuanced view of the U.S. justice system. Classroom discussion focused on the sheer number of imprisoned individuals—nearly 1 percent of the U.S. population is currently in prison. Students wrestled with difficult ethical questions: How should punishments differ for different crimes? Is financial crime less dangerous than violent crime? Does prison deter white-collar offenders more than other criminals? They explored the role of rehabilitation and the ethical implications of punishing one offender to prevent others from committing similar acts.

The Prison Immersion

A highlight of the course was the tour of Greenville Federal Prison in Illinois. As students walked the prison grounds, many were struck by the fact that white-collar offenders, once imprisoned, are treated no differently than violent offenders. Student and insurance broker Karl Steinage said that he thought “the best way to deter white-collar crime would be for more people to tour prisons and see the consequences of corporate malfeasance.”

Despite the real dangers of life inside a federal prison, students were almost uniformly impressed by the rehabilitative facilities at Greenville. Students saw the football-field-sized manufacturing plant where men are paid to make U.S. military uniforms. The students toured the building where the men make cabinetry for Habitat for Humanity and learned that these offenders earn carpentry degrees that vastly

improve their post-prison employment opportunities. They also sat in on classes where offenders can improve their résumés, learn skills, and earn GED credits.

Students then visited the female minimum-security side of the prison, where there are no perimeter walls; the women walk freely throughout the grounds. As if to further emphasize the parallels with a college campus, housing is dormitory style. Many students were shocked when, upon entering the dormitory, they were met by a long row of cages housing playful Labrador puppies, which the women care for and train to become aids for the handicapped. During a recent dormitory visit, many of the inmates were eager to introduce the class to their dogs and talk about their lives. They “could be my friends, sisters, mothers, or aunts,” said student Scott Schumaier.

Halfway House Insights

A few weeks after the prison experience, students visited a halfway house, where they sat in on interviews with recently released offend-

ers. These offenders ran the gamut, from young men with mental illnesses to elderly individuals attempting to reintegrate into a whole new world; from sophisticated white-collar offenders to naive men and women who could rightly be categorized as victims themselves.

One released offender, a former lawyer and community activist, authorized his employees to defraud investors, though the offender did not profit himself. Today, he cares for the children of his extended family, expresses remorse for his actions, and seems beaten by his experiences. The reverse rags-to-riches story led students to question how far any of us are from making such destructive, life-changing decisions.

One prison official admitted that for ex-convicts with families to feed and few opportunities for employment, returning to a life of crime is sometimes unavoidable. After seeing the hard work that many prisoners put in to return to society only to be given no opportunity to succeed, student Jason Pride said that as a future employer he would consider hiring ex-offenders.

What We Learned

Early on, these students often asked, “Why would any good person commit a crime?” After the field visits, students had a better understanding and a bigger dose of empathy. “It is easy to forget that criminals are people who deserve to be treated with dignity regardless of the poor decisions that they have made in the past,” said JD/MBA student Morgan Taylor.

For students in this blended-experiential MBA class, white-collar crime is no longer theoretical. They learn how to reduce violations in their organizations. More important, they better understand why some break the law and how stark the consequences of those actions can be.

“When you look at someone as a human, you are more likely to feel an obligation to them and their situation. No longer will I ever write someone off...just because they have been found guilty of a crime,” Schumaier said. For our university, that response may be the best part. **Z**

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Nitish Singh, an associate professor in business, created the “Reclaiming the Human Spirit” course and serves as director of program innovations and program lead for the Cook School’s certificate in corporate ethics and compliance management at its Boeing Institute of International Business. Thomas Bussen, a compliance consultant and practicing attorney, directs the course and serves as co-representative for Saint Louis University’s certificate in ethics and compliance management. The authors wish to acknowledge the support of Kenneth Parker, associate professor of theology and director of SLU’s Prison Program, which provides educational offerings to the staff and inmates of Missouri correctional institutions.



Students in SLU’s “Reclaiming the Human Spirit” course on their field trip to the Federal Correctional Institution in Greenville, Illinois.