



# Deliberate misleading information

## Case Study #1

### Megabucks Energy Company – Situation report

- New oil discovery
- Management wants discovery downplayed for the moment
- Discovery is real and significant
- You are asked to prepare announcement
- What to do you do?

#### 1. Define specific ethical issue

- Is it ethical to disseminate deceptive or incomplete information regarding the financial condition of my company?

#### 2. Identify internal/external factors that may influence decision making process

- SEC or regulating body rules on disclosure
- Federal and state laws
- Company values, policies and procedures

#### 3. Identify key values

- Loyalty
- Advocacy
- Honesty
- Independence
- Transparency

#### 4. Identify affected parties

- Company/employer
- Board of directors
- Shareholders
- SEC/Regulator
- Financial community
- Financial media
- Employees
- Public
- Profession
- Self. Select ethical principles
- Protecting and advancing the free flow of accurate and truthful information
- Preserving the integrity of the communications process

**5. Make a decision**

- Advise the company of potential legal issues including SEC /Regulator
- Consult Regulations and prescribed procedures
- Advise the company against deceptive practices
- If unsuccessful in convincing superiors, refuse to write the release