Ethical Leadership Certification Program Provides Invaluable Training to College Students

In January, the NASBA Center for the Public Trust (CPT) launched the Ethical Leadership Certification Program for college students. The Program serves to provide extracurricular training to college students interested in learning more about ethical leadership.

Partnering with the Denver-based Daniels Fund, the CPT worked with board members Dr. Linda and Dr. O.C. Ferrell, of the University of New Mexico, and Dr. Robert Chandler, of the University of Central Florida, to develop an online multimedia curriculum utilizing current events to illustrate key points.

“It’s a tool to help raise awareness about ethical dilemmas,” said Ronald Taylor, CPT Student Programs & Development Specialist. “Students look at real life illustrations of individuals who have either shown positive or poor ethical leadership and how their decisions affected their careers.”

The multimedia curriculum features video, audio narration, interactive presentations, graphics and data. It is divided into six modules, which each take approximately 60 minutes to complete. Each module is divided into sections, which take approximately 15 minutes apiece, allowing students to progress through the course at their own pace.

Realizing that earlier education is often most effective, the Program was developed in accordance with CPT’s efforts to provide ethical education and advocacy to current and future business leaders.

“We found that students were facing ethical issues in the first few years of their career, not decades down the road like some might expect,” said Taylor. “And many of them weren’t ready to face those issues.”

The Daniels Fund provides grants and scholarships for non-profits invested in community development with one of their areas of focus being ethics and integrity in education.

Good News: Big Brands Battle the Cold with Warm Gestures

You don’t have to look at the record-setting temperatures to know that this has been one of the coldest winters in remembrance. You may not know, however, that some major brands this season have shown exceptional goodwill in light of the frigid weather.

When a storm of rain, snow and freezing temperatures hit the southeast in late January, thousands of drivers were left stranded along the icy roads. Some were stuck for hours, unable to make it to their homes.

The road conditions made it difficult for emergency vehicles to make calls, leaving the burden of thousands of stranded travelers to local businesses. Acting quickly, Atlanta-based Home Depot decided to keep 26 of their stores open all night as shelters for those who had no place else to go. Twitter posts reported workers even breaking out the lawn furniture for guests. Likewise, CVS pharmacies, Publix, Kroger and Target all accommodated motorists for the night. RaceTrac gas stations/convenience stores provided shelter, free coffee and hot chocolate to stranded commuters. And one Chick-fil-A restaurant in Birmingham handed out hundreds of free sandwiches along the highway.

HealthSouth Whistleblower Weston Smith Shares Insider Story of $2.9b Fraud

At a recent networking dinner co-hosted by Financial Executives International (FEI) and the NASBA Center for the Public Trust (CPT), former HealthSouth CFO Weston Smith shared his insider’s story of corporate scandal with over 100 business leaders.

The event took place at the Richland Country Club in Nashville, TN, and was attended by both CPT supporters and members of FEI. Smith’s talk was titled, Crossing the Line: An Insider’s Story of Fraud, and featured his account of how ignored red flags, compromises and corporate competition led to HealthSouth’s $2.9 billion fraud.

“It started with a culture of doing ‘whatever it takes’ to win,” recounted Smith about how HealthSouth’s CEO, Richard Scrushy, hired professional athletes to play on the company’s softball team. “That was probably the first red flag.”

Smith went on to describe how not long after, when HealthSouth’s quarterly earnings fell just $40k short of Wall Street’s expectations, Scrushy told his CFOs to play with the numbers to find the difference.
LEADERSHIP COLUMN

A Fight We Must Win... Together We Can

ALFONZO ALEXANDER
PRESENTER, NASBA CENTER FOR THE PUBLIC TRUST
NASBA, CHIEF RELATIONSHIP OFFICER

We are in a fight.

It’s a fight to reduce corporate misconduct,
and the need for us to fight is growing.

Recently, I read of the $1.2 billion
penalty given to Toyota by the U.S. Justice
Department for misleading consumers
about the safety of its vehicles. It’s the
largest fine ever for a car company.

Rather than promptly issuing a recall
in light of a problem with sticking
acceleration pedals, Toyota attempted
to protect its reputation by misleading
consumers about the true safety of their
vehicles. Not only was money lost in
this scandal, but also many lives due to
accidents caused by the cars’ defects.

Executive management at Toyota
was influencing junior employees to
execute the wrongdoing by developing
and delivering inaccurate messages to
customers. Unfortunately, this top-down
approach is how many of these types of
cases take place. I applaud the Justice
Department for challenging investigators
to continue to bring charges against the
responsible parties at Toyota.

The CPT is determined to
build the number of ethical future leaders
entering the corporate arena to make a
positive difference.

However, we cannot afford to only fight
for the future. We are also working to
reshape the thinking of current leaders, by
challenging them to build ethical cultures
within their companies.

The CPT is partnering with CPA societies
and organizations like Financial Executives
International (FEI) to show leaders how to
make positive change in their company’s
ethical climate.

Whether you’ve been involved in the
CPT’s activities before or not, we can
always use your help. The future stakes of
ethical leadership have never been higher,
as we continue to shift more into a global
economy where the impact of our decisions
reaches further than ever.

The irreversible consequences of Toyota’s
wrongdoings are a wake-up call that we
must win this fight. Together we can.

As always... Lead with integrity.

GOOD NEWS:
Big Brands Battle the Cold with
Warm Gestures

In Montreal, battery manufacturer
Duracell chose to create warm
moments among strangers by setting
up a heated bus stop shelter powered
by personal connection. The bus stop’s
side panels formed two ends of a circuit
that could only be connected by human
touch. Strangers who opted to hold
hands while touching the sides of the
bus stop completed the circuit and
were rewarded with an activated heater
from above.

Whether providing much needed
hospitality or reminding us that we
have all the power to warm each other’s
cold day, seeing big brands go above
expectations to act with goodwill
towards their community is something
we can all admire.

“I think employers will be thrilled to
know which students have participated,”
says Linda Childers, President and
CEO of the Daniels Fund. “Daniels
Fund is pleased to be involved with this
certification program.”

Currently, the tuition for the Ethical
Leadership Certification Program is
$39.99 per student, and all proceeds
go to furthering CPT activities. Upon
finishing the course and passing an
exam, students receive certification
in ethical leadership from the CPT.
Since launching, over 400 students have
enrolled.

For additional information on the
Program, contact Lara Loewl at
llowel@nasba.org.

StudentCPT Activities

Rutgers University StudentCPT Debates Corporate/Social Responsibility

On March 5, the StudentCPT chapter of Rutgers University hosted an engaging debate
centered on corporate and social responsibility. The following question was posed for discus-
sion: “What is the purpose and responsibility of corporations?” The discussion was directed
 toward the effects of globalization on Corporate Social Responsibility.

“The objective of the debate was to challenge the basis from which we made our decisions,
while at the same time challenging conventional thinking of ethical and moral issues,” said
Anthony Perry, Rutgers StudentCPT Chapter President.
Integrity has an Exceptional ROI

If you want to make an investment that’s guaranteed to grow, buy some stock in the character index.
A recent study found that sourcing new global leaders is the top challenge facing businesses of tomorrow. This is because 66% of organizations are weak in their ability to develop leaders from the Millennial generation.

YOU CAN MAKE AN Investment TO HELP CHANGE THAT

The Sponsor a Leader Campaign provides life-changing leadership and ethics training to outstanding college students through the CPT’s annual Student Leadership Conference. Participants experience real-life ethical dilemmas, network with top industry professionals and glean wisdom from keynotes by world-class executives.

Leadership with integrity is the linchpin of a healthy economy. It inspires not only better business, but a better community. Character pays dividends.

The market of the future demands leaders with both the skillset to make the intelligent decisions and the values to make the right ones. Companies and individuals, who invest in such leaders, lay an ethical foundation for generations of future growth.

MAKE A DONATION TO SPONSOR A LEADER TODAY FOR A BETTER BUSINESS WORLD TOMORROW.

DONATIONS CAN BE MADE IN THREE LEVELS:

- Sponsor A Team (5 students) ....................... $5,000
- Sponsor A Leader .................................... $1,000
- Co-Sponsor A Leader ................................. $500

Make your investment in leadership online, by visiting www.thecpt.org/sponsor
or mailing a check to:

NASBA Center for the Public Trust
150 Fourth Ave. North, Suite 700, Nashville, TN 37219

HERE’S WHAT LAST YEAR’S STUDENTS EXPERIENCED:

“Invaluable information that I will take with me for the rest of my life.”
- Zachary Webb, graduate student
  College of Charleston

“I learned more about myself than I could have ever imagined.”
- Dillon Potter, junior
  East Central University

“By far, the most valuable experience I have had up to this point in my career.”
- Chris Lyvers, senior
  University of Kentucky

If you have questions or need additional information please contact:
Ronald Taylor, CPT Student Programs & Development Specialist
(615) 312-3834  rtaylor@nasba.org

The 2014 Student Leadership Conference will be held in St. Louis, MO on June 10-11. Themed “Bridging Gaps with Ethical Leadership,” the Conference will feature keynotes on “Strategic Networking,” “Conflict Resolution” and “The Benefits of Leading Ethically” by leaders representing various industries. Students will also examine ethical business questions raised in recent news stories about major international brands.
“We told it ourselves how accounting often had gray areas and how $40k was a relatively insignificant amount of money,” recounted Smith. “We rationalized it.”

From then on, Smith says HealthSouth put out false numbers every quarter to meet Wall Street expectations and the difference soon grew from $40k to millions.

By the time the Sarbanes-Oxley Act (SOX) was passed, a bill that required executives to certify the accuracy of corporate financial statements, billions of dollars of false earnings had been reported by HealthSouth. Rather than signing, Smith tried to quit his job.

Scrushy responded with uncommon kindness. “Richard was like a grandfather all of a sudden. He brought me into his office and we created a plan to stop the lying,” shared Smith. “I’m ashamed to say that I agreed and signed SOX.”

After a period of honest reporting and subsequent scrutiny from Wall Street and Federal agencies, Smith says Scrushy reneged on his promise and started falsifying profits again. That was when Smith blew the whistle on HealthSouth’s $2.9 billion fraud.

“I was scared,” Smith said of leaving the meeting with Federal agents. “But there was an even stronger emotion I felt: gratitude. I was just so relieved that the lying was over.”

In the following investigation, Smith and four other CFOs admitted to lying and were sentenced to time in prison. Scrushy avoided prosecution by claiming he was unaware of the scandal.

After serving 27 months in prison, Smith now shares his story with sincere apologies for his unethical choices. Earlier in the day, he spoke before several business school classes at Lipscomb University where he implored them to not make even the slightest of compromises to their integrity.

“We never set out to defraud the SEC and Wall Street,” Smith said. “No one was like, ‘Hey, this would be a good idea…’ It happened over time as we lied a little bit more and more and rationalized it every time.”

HealthSouth Whistleblower Weston Smith Shares Insider Story of $2.9b Fraud

CPT Workshops Professional Networking at University of Tennessee

Speaking before the University of Tennessee StudentCPT Chapter on March 10, Ronald Taylor, Student Programs & Development Specialist for the Center for the Public Trust, addressed some of the most practical questions for young professionals and students: How can I help others, ask for help and connect people?

The session began with an opportunity for students to practice networking with well-known painter and UT alumnus Carl Hess, who announced a new internship opportunity. Taylor then shared 10 tips for networking followed by an extended lesson on Monchu Networking, a method which maps how to build connections by strategically spending 20 minutes a day helping others grow professionally, asking for help and making new connections.

Students found this to be very beneficial as many of them will be graduating in one to two years’ time, and needed further information on how to grow their connections once initial contacts have been made.
StudentCPT Activities
Congresswoman Grisham Enlightens UNM Students on Ethical Leadership, Challenges in Politics

At a University of New Mexico March 10 StudentCPT chapter meeting, New Mexico Congresswoman Michele Lujan Grisham initiated a spirited discussion on ethics, politics and the risk areas that pervade in Congress.

Ms. Grisham shared insights about the complexities of ethics rules for elected officials and how they govern many aspects of daily interaction with the public.

One of the most difficult areas is fundraising for an election campaign every two years, according to Grisham, where millions of dollars are needed to be a viable candidate.

She said there is much due diligence required in tracking the sources of campaign contributions and expectations of donors. For example, all gifts and food, no matter how small, must be recorded.

Congresswoman Grisham is president of the ‘freshman class’ of this term’s Congress and has already built a reputation for collaboration and reaching across party lines to get work done. She shared that she believes the majority of congressional representatives are ethical and want to do what’s best for their constituents.