



BUSINESS LAW AND ETHICS MANAGEMENT TEAM DECISION MAKING EVENT

PARTICIPANT INSTRUCTIONS

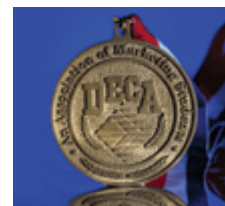
- The event will be presented to you through your reading of the General Performance Indicators, Specific Performance Indicators and Case Study Situation. You will have up to 30 minutes to review this information and prepare your presentation. You may make notes to use during your presentation.
- You will give an ID label to your adult assistant during the preparation time.
- You will have up to 10 minutes to make your presentation to the judge (you may have more than one judge), followed by up to 5 minutes to answer the judge's questions. All members of the team must participate in the presentation, as well as answer the questions.
- Turn in all of your notes and event materials when you have completed the event.

GENERAL PERFORMANCE INDICATORS

- Communications skills—the ability to exchange information and ideas with others through writing, speaking, reading or listening
- Analytical skills—the ability to derive facts from data, findings from facts, conclusions from findings and recommendations from conclusions
- Production skills—the ability to take a concept from an idea and make it real
- Teamwork—the ability to be an effective member of a productive group
- Priorities/time management—the ability to determine priorities and manage time commitments
- Economic competencies

SPECIFIC PERFORMANCE INDICATORS

- Distinguish between ethics and law.
- Demonstrate knowledge/understanding of ethical behavior within a business environment.
- Apply decision-making business principles and techniques to a situation with an ethical dilemma.
- Analyze business systems and procedures.
- Explain ethical considerations in providing information.
- Present analysis and resolutions in an organized and well-thought-out manner.
- Identify possible resolutions to an ethical dilemma.



CASE STUDY SITUATION

You are to assume the roles of vice president of finance and vice president of operations for THE SHIPPING POST, a large shipping company. The president (judge) has asked you to analyze the ethical/legal implications of an insider trading issue involving the company's chief accountant and to recommend a course of action.

THE SHIPPING POST is the world's third largest package delivery company, delivering more than 14 million packages per day to more than 200 countries. It has recently expanded its operations to include logistics and other transportation-related areas. Major competitors include the United States Postal Service (USPS), United Parcel Service (UPS), and FedEx. Historically, THE SHIPPING POST's ground-based delivery market had accounted for most of its revenue. However, in 2000 the company entered the heavy freight business.

It has recently been uncovered, through an anonymous tip, that the company's chief accountant has been involved in possible illegal insider trading. During the course of the accountant's work, the accountant learned that the company is planning to buy a manufacturing firm that makes shipping containers. It's a smaller company whose stock is traded on a local stock exchange. The accountant purchased several thousand shares of the smaller company's stock, expecting to make a windfall profit when the purchase goes through.

You have been briefed by the company's staff attorneys that insider trading is the trading of a corporation's stock or other securities by corporate insiders such as company officers, directors, or holders of the firm's equity securities. Legal insider trading may not be based on material nonpublic information. Insider trading may be perfectly legal, but the term is frequently used to refer to an illegal practice in which a corporate insider, or a related party, trades or secretly relays private information obtained during the performance of the insider's duties at the corporation. Trades made by these types of insiders in the company's own stock, based on material nonpublic information, are considered to be fraudulent, since the insiders are violating the trust or the fiduciary duty that they owe to the shareholders.

Corporate insiders, simply by accepting employment, have made a contract with the shareholders to put the shareholders' interest before their own in all matters related to the corporation. When an insider buys or sells based on company-owned information, the insider is violating a contract with the shareholders.

The president (judge) has asked you to analyze the situation and to recommend action, if any, against the accountant. The owner (judge) also asks you to keep in the mind that the accountant has been a trusted employee for many years. Analyze the situation by answering the following ethical/legal decision-making questions:

- What are the ethical/legal issues?
- What are the alternatives?
- Who are the affected parties?
- How do the alternatives affect the parties?
- What action, if any, should be taken?

You will present your recommended course of action to the president (judge) in a meeting to take

place in the conference room of the company's headquarters. The president (judge) will begin the meeting by greeting you and asking to hear your recommendations. After you have recommended a course of action and have answered the president's (judge's) questions, the president (judge) will conclude the meeting by thanking you for your work.

JUDGE'S INSTRUCTIONS

You are to assume the role of president of THE SHIPPING POST, a large shipping company. You have asked the vice president of finance and vice president of operations (participant team) to analyze the ethical and legal implications of an insider trading issue involving the company's chief accountant.

THE SHIPPING POST is the world's third largest package delivery company, delivering more than 14 million packages per day to more than 200 countries. It has recently expanded its operations to include logistics and other transportation-related areas. Major competitors include the United States Postal Service (USPS), United Parcel Service (UPS), and FedEx. Historically, THE SHIPPING POST's ground-based delivery market had accounted for most of its revenue. However, in 2000 the company entered the heavy freight business.

It has recently been uncovered, through an anonymous tip, that the company's chief accountant has been involved in possible illegal insider trading. During the course of the accountant's work, the accountant learned that the company is planning to buy a manufacturing firm that makes shipping containers. It's a smaller company whose stock is traded on a local stock exchange. The accountant purchased several thousand shares of the smaller company's stock, expecting to make a windfall profit when the purchase goes through.

You have been briefed by the company's staff attorneys that insider trading is the trading of a corporation's stock or other securities by corporate insiders such as company officers, directors or holders of the firm's equity securities. Legal insider trading may not be based on material nonpublic information. Insider trading may be perfectly legal, but the term is frequently used to refer to an illegal practice in which a corporate insider, or a related party, trades or secretly relays private information obtained during the performance of the insider's duties at the corporation. Trades made by these types of insiders in the company's own stock, based on material nonpublic information, are considered to be fraudulent, since the insiders are violating the trust or the fiduciary duty that they owe to the shareholders.

Corporate insiders, simply by accepting employment, have made a contract with the shareholders to put the shareholders' interest before their own in all matters related to the corporation. When an insider buys or sells based on company-owned information, the insider is violating a contract with the shareholders.

You have asked the vice presidents (participant team) to analyze the situation and to recommend action, if any, against the accountant. You have also asked them to keep in the mind that the accountant has been a trusted employee for many years. The vice presidents are to analyze the situation by answering the following ethical/legal decision-making questions:

- What are the ethical/legal issues?
- What are the alternatives?
- Who are the affected parties?
- How do the alternatives affect the parties?
- What action, if any, should be taken?

The vice presidents of finance and operations (participant team) will present their recommendation to you in a meeting to take place in the conference room at the company's headquarters. You will begin the meeting by greeting the vice presidents (participants) and asking to hear their analyses and recommendation.

After the vice presidents (participant team) have presented their recommendation, you are to ask the following questions of each participant team:

1. What is meant by the phrase "*good ethics are good for business*"?
2. How does acting ethically benefit a company?
3. What is the purpose of a *Code of Ethics*?

Once the vice presidents of finance and operations (participant team) have answered your questions, you will conclude the meeting by thanking them for their expertise.

You are not to make any comments after the event is over except to thank the participants.

JUDGING THE PRESENTATION

Team members, assuming the role of a management team for the business represented, will analyze a case situation related to the chosen occupational area. The team will make decisions regarding the situation, and then make an oral presentation to the judge. The role of the judge is that of an executive for the business.

Participants will be evaluated according to the Evaluation Form.

Please place the name and identification number label on the Scantron sheet (unless it has already been done for you).

Participants will have a 30-minute preparation period and may make notes to use during the role-play.

During the first 10 minutes of the presentation (after introductions), the team will present their analysis, their decisions and the rationale behind the decisions. Allow the teams to complete this portion without interruption, unless you are asked to respond.

During the next 5 minutes, you may ask questions of the team to determine their understanding of the situation presented. Each member of each team should respond to at least one question. To ensure fairness, you must ask each team the same questions. After asking the standard questions, you may ask other questions for clarification specific to the current team.

After the questioning period, please thank the team and state that they will be notified of your decision soon. Then complete the Evaluation Form, making sure to record a score for all categories. The maximum score for the evaluation is 100 points. The presentation will be weighted at twice (2 times) the value of the exam scores.

A maximum score of “Exceeds Expectations” in any category means that, in your opinion, the information is presented effectively and creatively; nothing more could be expected of an employee.

A “Meets Expectations” rating means that the information is present well. Though there may be a few minor problems or omissions, they are not significant. Creativity, however, is not shown to any great degree. A combined total score of 70 or better on the written and presentation sections will earn the participant team DECA’s Certificate of Excellence at the international conference.

A “Below Expectations” score means that the information presented does not meet minimum standards of acceptability.

A “Little/No Value” score means either that some major flaw has been noted that damages the effectiveness of the presentation (this may be a major omission, a serious misstatement or any other major flaw) or that the information presented is of no value (does not help the presentation at all).

We hope you are impressed by the quality of the work of these potential managers. If you have any suggestions for improving the event, please mention them to your series direct.

We thank you for your help.

JUDGE'S EVALUATION FORM

BLMDM

PERFORMANCE INDICATORS DID THE PARTICIPANT:	Exceeds Expectations	Meets Expectations	Below Expectations	Little/No Value	Judged Score
1. Distinguish between ethics and law?	10-9	8-7	6-5-4	3-2-1-0	_____
2. Demonstrate knowledge/understanding of ethical behavior within a business environment?	10-9	8-7	6-5-4	3-2-1-0	_____
3. Apply decision-making business principles and techniques to a situation with an ethical dilemma?	10-9	8-7	6-5-4	3-2-1-0	_____
4. Analyze business systems and procedures?	10-9	8-7	6-5-4	3-2-1-0	_____
5. Explain ethical considerations in providing information?	10-9	8-7	6-5-4	3-2-1-0	_____
6. Present analysis and resolutions in an organized and well-thought-out manner?	10-9	8-7	6-5-4	3-2-1-0	_____
7. Identify possible resolutions to an ethical dilemma?	10-9	8-7	6-5-4	3-2-1-0	_____
PRESENTATION	Exceeds Expectations	Meets Expectations	Below Expectations	Little/No Value	Judged Score
8. Clarity of expression	6-5	4	3-2	1-0	_____
9. Organization of ideas	6-5	4	3-2	1-0	_____
10. Showed evidence of mature judgment	6-5	4	3-2	1-0	_____
11. Effective participation of both team members	6-5	4	3-2	1-0	_____
12. Overall impression and responses to the judge's questions	6-5	4	3-2	1-0	_____
TOTAL SCORE					_____