

Ethical Awareness and Professional Responsibility: A University Delay of Game Case

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Glory University is a faith-based private university with around 9,000 students at the graduate and undergraduate levels. Glory is located in a southern US state where Sunday means church, fall means football, and values are largely conservative. The university receives the majority of its revenue from tuition and donations. In the past decade, the university's Division I football team has been wildly successful. Led by Coach Donnie LeBlanc, the team played in bowl games all ten years and finished seven seasons in the top 25 in the AP Poll. The fans are wild with enthusiasm. University colors are seen all over town and around the country, wherever alumni reside, and every game is sold out. More importantly, enrollment and donations are up, increasing by an average of 5% each year for the past eight years.

Although Coach LeBlanc receives a \$4 million a year salary, university administrators agree he is worth every penny. They are not worried about the current \$15 million buyout agreement; they want him to stay as long as possible! Donnie LeBlanc grew up in the shadow of Glory University, playing high-school football in town and later attending Glory, where he was a football player. Donnie had a three-year professional football career following college. When an injury sidelined him from the game, Donnie decided to coach. Donnie served as an assistant coach for another university for four years until his alma mater offered him the Head Coach position. He is the right man for the job and is loved by the university and surrounding community.

On the morning of June 4 this year, Glory's president received a phone call from the state police department. Coach LeBlanc's home was robbed in the middle of the night. Coach LeBlanc was fine but sent to the hospital for observation. The president immediately visited him in the hospital. Coach assured the president that he was fine and was thankful that no one else was at home at the time the intruders entered his home. Coach's wife and children were out of town visiting family in another state. The next day, the university held a press conference at which the president and the coach assure everyone that the Coach suffered only minor scrapes and bruises and that no one else was home at the time of the robbery.

On June 10, a news reporter for a local television station announced that Coach LeBlanc was not at home alone at the time of the intrusion and assault. The reporter learned this from a confidential source who provided evidence. While it was true that his wife and children were away on vacation, a woman named Katelyn Smith was at the home with him at the time of the robbery. The source said that Katelyn was not injured during the robbery, as she hid in the garage during the incident. Because the intruders

made a lot of noise breaking in, likely expecting no one was at home, Katelyn had time to slip into the garage when Coach went toward the noise to investigate. She left Coach's house prior to the arrival of the police in an attempt to stay out of the police report and the press coverage this story was certain to have. Although she did not sustain any physical injuries, Katelyn is experiencing emotional distress from the incident. In addition to revealing Katelyn's presence, the reporter also revealed that she and the coach were having an affair for over two years. A former graduate assistant in the Glory athletic office, Katelyn recently completed her Master of Accountancy degree, passed the CPA exam, and currently is interviewing for jobs at public accounting firms.

An Ad Hoc Disciplinary Committee was formed by Glory to address this issue. Committee members include the Glory's President, the Vice President of Accounting and Finance (who is a CMA), the Director of Human Resources, the Director of Marketing and Communications, the athletic director, and legal counsel. As is university policy, disciplinary committees must have representation from the student body; you have been asked to attend as a student representative.

ASSIGNMENT QUESTIONS

Ethics Questions

1. What are the relevant facts of the case? Be sure to identify the problem(s).
2. Governmental entities and not-for-profit organizations have their own Codes of Professional Conduct and/or Codes of Ethical Conduct, many of which can be viewed online. Select an actual faith-based private university and examine its Code of Conduct. Assume that Glory University has a code of conduct similar to the one you selected.
 - a. What parts of the code should the Ad Hoc Committee consider when making its decision about the ethical issue? (Identify the university you chose for your code of conduct in your answer and provide a reference for the code of conduct chosen.)
 - b. According to the IMA Standards of Ethical Professional Practice, what additional obligations does the Vice President of Accounting and Finance have due to his CMA designation? How can he fulfill these obligations in this situation?
 - c. What personal ethical considerations and external obligations might the committee members apply as they deal with this case?
3. Who are the affected parties (stakeholders)? Be sure your answer includes any relevant stakeholders who are not specifically mentioned in the case.
4. What are the potential options and courses of action the ad hoc committee might pursue? List the potential ethical and/or practical ramifications for each option. Address the points of view of the stakeholders for each option provided.
5. What do you think should be done in this situation?

Accounting Questions

1. What set of generally accepted accounting principles does Glory University likely follow? What are the potential financial effects of this situation and of the possible courses of action?
2. Budgeting and control are essential to not-for-profit organizations.

- a. What are the key purposes of operating budgets?
- b. How do operating budgets of non-governmental not-for-profit entities differ from budgets of for-profit entities? from governmental entities?
- c. In this case, the ad hoc committee might pursue many different courses of action to address the situation. How would each different course of action affect the present and future operating and cash budgets?

Professional Development Questions

1. Katelyn has passed the CPA exam and will apply to be a CPA when she completes one year of work. What effects, if any, do you think the enormous media coverage of this situation will have on
 - a. Katelyn's job prospects?
 - b. Katelyn's likelihood of becoming a CPA? (Could she be denied a license because of her actions related to this case?)
2. Is media, including social media, a concern for all individuals who are interviewing? Explain. What actions should students take concerning their social media prior to a professional job search?

Note: All monetary values are represented in U.S. Dollars

TEACHING NOTES

ABSTRACT

This case, which is loosely based on actual events, demonstrates an ethical dilemma within a not-for-profit setting. Glory University faces a situation that involves an unethical action surrounding its football program. The head football coach lied to university officials about circumstances surrounding a police matter, a home invasion in which he claimed he was alone. The university then unknowingly repeated the lie to the public. In truth, the coach was with a young female (former student and employee), not his wife, when the event occurred. When this becomes known, it causes turmoil in the football program and financial and administrative implications for the university. Should the university retain the coach? How should university officials address the possible ramifications of the event, cover up, and aftermath? What are the possible financial implications of the coach's actions? What proactive ethical awareness steps can students take prior to a professional job search?

KEYWORDS

Ethics, Not-for-Profit, Budgeting, Professional Responsibility, Codes of Conduct, Professional Development

Intended Courses and Audience

This case is the second in a series.¹ These cases, set in government and/or not-for-profit organizations, each focus on ethics, accounting, professional responsibility, and the consequences actions can have.

This case, loosely based on actual events, contains an ethical dilemma case in a not-for-profit setting that includes financial implications.^{ii,iii} It includes the role of a recent graduate student majoring in accounting; however, the student is not the only one who is faced with an ethical dilemma. As future accounting professionals, students should be aware of the responsibility to work with competency, honesty, and integrity. The responsibilities of accountants in governmental and not-for-profit settings increase to include accountability to taxpayers, donors, and individuals those entities serve. Students should be aware that accountants are frequently advisors to those who are operationally in charge but who may not fully understand the financial or legal implications of specific decisions or actions.

This case is appropriate for use in a governmental and not-for profit accounting course at the undergraduate (junior or senior) or graduate level, specifically during the budgeting chapters. It would also be appropriate for a case studies course, an accounting and finance ethics class, or a managerial accounting or finance class. The case has been fictionalized to simplify complex issues, to add emphasis to accounting and professional responsibility, and to make access to news articles difficult to find by students seeking to find out what actually happened in the underlying case prior to developing their answers.

This case uses an ethical decision-making model by identifying issues, stakeholders, alternatives, and ultimately selecting a course of action. The case also asks students to use codes of conduct/ethics from professional organizations and employers.

The case contains three sets of questions, each tied to an educational objective, with the fourth objective related to communication skills. Students will

1. Increase learner awareness of ethical dilemmas in a not-for-profit setting and gain an understanding of how to resolve these dilemmas by utilizing the IMA (Institute of Management Accountants) Standards of Ethical Professional Practice and/or employer codes of conduct.^{iv}
2. Assess the effect human resource decisions have on financial statements and budgets in a not-for-profit entity setting.
3. Enhance the learners' own professional development in terms of ethical awareness and responsibility and develop strategies to avoid ethical dilemmas.
4. Improve learners' written communication skills, oral communication skills during classroom discussion, and interpersonal skills if assigned as a group project.

ASSIGNMENT Questions

The case discussion questions are divided into three sections: ethics questions that address the unethical behavior and consequences, accounting questions that address the effect on financial statements and budgets, and professional development questions that require students to imagine themselves in a similar role with possible implications from the unethical behavior. The questions can be assigned all at once or divided into separate assignments.

Ethics Questions

1. What are the relevant facts of the case? Be sure to identify the problem(s).

2. Governmental entities and not-for-profit organizations have their own Codes of Professional Conduct and/or Codes of Ethical Conduct, many of which can be viewed online. Select an actual faith-based private university and examine its Code of Conduct. Assume that Glory University has a code of conduct similar to the one you selected.
 - a. What parts of the code should the Ad Hoc Committee consider when making its decision about the ethical issue? (Identify the university you chose for your code of conduct in your answer and provide a reference for the code of conduct chosen.)
 - b. According to the IMA Standards of Ethical Professional Practice, what additional obligations does the Vice President of Accounting and Finance have due to his CMA designation? How can he fulfill these obligations in this situation?
 - c. What personal ethical considerations and external obligations might the committee members apply as they deal with this case?
3. Who are the affected parties (stakeholders)? Be sure your answer includes any relevant stakeholders who are not specifically mentioned in the case.
4. What are the potential options and courses of action the ad hoc committee might pursue? List the potential ethical and/or practical ramifications for each option. Address the points of view of the stakeholders for each option provided.
5. What do you think should be done in this situation?

Accounting Questions

1. What set of generally accepted accounting principles does Glory University likely follow? What are the potential financial effects of this situation and of the possible courses of action?
2. Budgeting and control are essential to not-for-profit organizations.
 - a. What are the key purposes of operating budgets?
 - b. How do operating budgets of non-governmental not-for-profit entities differ from budgets of for-profit entities? from governmental entities?
 - c. In this case, the ad hoc committee might pursue many different courses of action to address the situation. How would each different course of action affect the present and future operating and cash budgets?

Professional Development Questions

1. Katelyn has passed the CPA exam and will apply to be a CPA when she completes one year of work. What effects, if any, do you think the enormous media coverage of this situation will have on
 - a. Katelyn's job prospects?
 - b. Katelyn's likelihood of becoming a CPA? (Could she be denied a license because of her actions related to this case?)
2. Is media, including social media, a concern for all individuals who are interviewing? Explain. What actions should students take concerning their social media prior to a professional job search?

SUGGESTED ANSWERS

A compilation of possible answers to these questions is provided below. These are not necessarily the “right answer.” It is not expected that individual students or groups would address all these points. In fact, many students may come up with new perspectives and ideas. Other discussion questions (not part of the written assignment) are also included in this section to be used to further in-class discussion if time permits.

Ethics Questions

1. What are the relevant facts of the case? Be sure to identify the problem(s).

There are two primary issues in this case. First, the head coach of Glory University lied to the university president, stating that he was home alone at the time of a robbery at his home. In turn, the president relayed this unknowingly false information to the press, making the university a part of that lie that is very public. The press and the public soon became aware of the truth. Specifically, a former graduate assistant was present at the time of the robbery. The coach and the graduate student were having an affair.

The second issue is that at one point in time, the graduate assistant worked in the athletic department. There could have been a subordinate-supervisor relationship between her and Coach. Many workplaces strictly forbid or strenuously discourage romantic relationships when there is a disparity of power among participants. This situation could open the organization up to sexual harassment accusations should the superior exert pressure on the subordinator or if the relationship ends badly.

A third issue is the extramarital affair itself, separate from the human resources issue, which may not be the business or concern of Coach’s employer. However, it is likely that such behavior is not consistent with the religious values of religious-affiliated university.

The actions of the coach before and after the robbery, specifically, the coach’s affair with a graduate student and his dishonest statements and actions surrounding the event, are violations of the university’s principles. The Ad Hoc Disciplinary Committee must address how to handle the violations.

An additional concern is the University’s image. The events that have already taken place and the course of action to be taken in the future by the University have the potential to permanently change the image of the University in the community. The consequences of that image change can affect many stakeholders (which is addressed in a later question).

2. Governmental entities and not-for-profit organizations have their own Codes of Professional Conduct and/or Codes of Ethical Conduct, many of which can be viewed online. Select an actual faith-based private university and examine its Code of Conduct. Assume that Glory University has a code of conduct similar to the one you selected.
 - a. What parts of the code should the Ad Hoc Committee consider when making its decision about the ethical issue? (Identify the university you chose for your code of conduct in your answer and provide a reference for the code of conduct chosen.)

Any private faith-based university code of conduct could be referenced. The authors have chosen the Pepperdine Code of Ethics Policy^v. Pepperdine University's Code of Ethics Policy states that the University is "committed to the highest standards of academic excellence and Christian values." Further, it indicates "we commit ourselves to the highest level of ethical conduct. We seek to be people who are honorable, forthright and upright at all times. We value people. We speak the truth. We do not condone any form of dishonesty." The Coach's lie to the university president is a direct and obvious violation of the code of ethics, and one could argue that his extramarital affair is contrary to Christian values. The Ad Hoc Disciplinary Committee must weigh costs of the violations of Coach with the benefits his employment brings to the university. The violations have brought extremely negative press to the university. However, before this time, the Coach and the football team increased school spirit, monetary donations, and enrollment. University officials have professional obligations to the university and other stakeholders noted below. At Pepperdine, committee members must "report observed or suspected violations of this code of ethics with a spirit of fairness, honesty, and respect for the rights of others. Those who report alleged misconduct and those against whom allegations are reported are afforded all rights provided by University policies, as well as all applicable state and federal laws." Similar reporting requirements are assumed to be required at Glory University.

Follow-up Question

Would your answers to questions 1 and 2a be different if this occurred at a university that is not faith-based?

- a. According to the IMA Standards of Ethical Professional Practice, what additional obligations does the Vice President of Accounting and Finance have due to his CMA designation? How can he fulfill these obligations in this situation?

The vice president is a CMA, and therefore, must also adhere to the IMA Standards of Ethical Professional Practice. According to the code, members should be honest, fair, objective, and responsible. Members should also maintain standards of competence, confidentiality, integrity, and credibility. The vice president should encourage others on the committee to do the same.

A vice president of accounting and finance normally oversees the budget office at a university. The budget office prepares operating budgets, monitors revenues and expenditures, and provides financial planning information. Although the vice president cannot say with certainty the financial outcome of alternative courses of actions, he/she should use professional expertise and judgment to supplement the discussion. The vice president should also be prepared to demonstrate the financial effects of courses of action as the committee discusses them. The information and recommendations he

provides should be accurate, clear, concise, timely, fair, and objective. At all times, he should act ethically so as to not discredit the CMA profession.

Should the vice president for accounting and finance separate his opinions and religious values from his advice and decisions about accounting and finance? Is it possible for individuals to separate personal beliefs in these situations? How does your answer relate to the IMA Standards of Ethical Professional Practice?

- b. What personal ethical considerations and external obligations might the committee members apply as they deal with this case?

Each course of action has financial ramifications. The Ad Hoc Disciplinary Committee members need to be fully aware of the potential financial effects from their recommendations. In addition to professional obligations as employees of Glory University, these committee members also have personal obligations to themselves and their families that could be affected by their decisions as a committee. For example, extreme sanctions against the Coach would perhaps monetarily affect their families in a ripple effect; that is due to a potential decrease in donations and tuition (because of decreased enrollment) or the large buyout, employees of the university could be let go, furloughed, or given reduced salaries.

Also, an individual's personal thoughts on marital infidelity and/or lying could sway their recommendations to harsh extremes or towards a more lenient punishment. Along those same lines, whether or not the individual committee members are football enthusiasts might play a part in their reactions. If they are particularly happy with the football success, they might be more likely to believe that the Coach's personal behaviors are of less importance than another committee member who is not a sports fan.

Additionally, the Coach's actions can be divided into two categories: his obligation to his family and his obligation to the university. While it is clear that he lied and violated his obligation to the university, it is questionable whether or not Coach's employer has any right to question whether he violated his personal responsibilities, and whether that is even relevant to this case.

Students will likely have mixed decisions as to whether (a) one's personal obligations should have a bearing on this decision and (b) an employer can dictate what is ethical behavior in someone's personal life. This can bring up a rich discussion as to whether it is possible or even reasonable to exclude one's own personal interests in decision making.

Follow-up Questions

If students are struggling to engage in the discussion of connecting an extramarital affair with one's job, the following questions may be more relatable to them. Should your employment be affected by (a) posts you make on personal social media accounts, (b) your hobbies, activities, or speech on your own time, or (c) your

political beliefs? Could these activities reflect badly on your employer? If so, how?

3. Who are the affected parties (stakeholders)? Be sure your answer includes any relevant stakeholders who are not specifically mentioned in the case.

Stakeholders include university faculty, administration, and their families; past, present, and future university students; the coach and his family; the graduate student; current football players, football staff, and their families; the community; and past, present, and future donors to the university.

4. What are the potential options and courses of action the ad hoc committee might pursue? List the potential ethical and/or practical ramifications for each option. Address the points of view of the stakeholders for each option provided.

At the very least, the university must publicly address the revelation of the robbery facts. In addition, the president must state that he was misinformed by Coach LeBlanc that no one else was in the home as the time of the robbery, when in fact, Ms. Anderson was at the home. Possible options and courses of action for Coach LeBlanc include:

- Perform no disciplinary action. This may result in the questioning of the university's mission and vision, which may affect student enrollment, player recruitment, and donor support in the future.
- Enforce a monetary fine and/or disciplinary action. Disciplinary action could range from suspension from one or more games or the remaining games in the season. This may affect game attendance, bowl eligibility, and player performance, and future player recruiting. Should donors believe this penalty is not harsh enough, they may reduce their contributions to a university. However, those who are happiest with the success of football, may find the sanctions too extreme and create more bad media with their objections.
- Fire the coach. The university may or may not have to pay the buyout agreement, depending on the employee contract. At the very least, the university will have to perform a search to find a new coach. This will undoubtedly affect player recruiting. In addition, these events occurred very near the beginning of football season. The university will need to find an interim coach quickly which will affect player morale and performance. It is likely that performance will suffer, at least in the short run. The increase in donations due to football success may not persist.

5. What do you think should be done because of this situation?

It is important for the committee to fully evaluate the employee contract, legal issues, monetary effects, NCAA regulations, and the effects on the university image. These are much larger questions than can be addressed at a single meeting of the committee.

Student answers on an ultimate decision after this point will vary, but should be backed with logical explanations for their choice based on the university mission, values, and

code of ethical conduct. For example, a student may justify the choice to enforce a monetary fine and/or disciplinary action by stating the coach should be punished for his actions, but enrollment, attendance, and donations, and revenues will be less affected by this choice. These revenue streams can continue to be used to provide academic excellence. Justification for firing the coach includes the university commitment to the highest level of ethical conduct.

Also at issue, but not specifically addressed in the case, is the \$15 million buyout of the Coach's contract. In many cases, a contract contains ethics clauses and termination for cause clauses that allow the contract to be terminated without the buyout. It is not clear in this case whether the coach's contract has such a clause, so it is unclear whether the \$15 million will have to be paid if the coach is fired.

Follow-up Question

Would your answer to question 5 (or any of the ethics questions) be different if the university was not in a good financial position?

Accounting Questions

1. What set of generally accepted accounting principles does Glory University likely follow? What are the potential financial effects of this situation and the possible courses of action?

Private universities follow FASB pronouncements, likely those related to not-for-profit entities.

Potential financial effects and possible courses of action include

- Donors could pull pledges or stop making future pledges.
 - Future students and current students may choose not to attend the university, leading to a decrease in tuition revenue.
 - Fans may choose not to attend football games and/or purchase university apparel and other items, leading to a decrease in revenues.
 - The university may decide to fire the coach and pay his contract buyout, which means that the university would be paying the fired coach and a new coach.
2. Budgeting and control are essential to not-for-profit organizations.
- a. What are the key purposes of operating budgets?

The two primary purposes of budgeting are planning and control. For not-for-profit organizations, the operating budget is used to plan activities and spending for a future period. During the budget period, budgets are used to control resources and administer

activities. The operating budget is also critical in evaluation of efficiency and effectiveness and compliance with an entity's mission, objectives, and strategies.

b. How do operating budgets of non-governmental not-for-profit entities differ from budgets of for-profit entities? from governmental entities?

For-profit entities are guided by the marketplace, whereas both non-governmental not-for-profit entities and governmental entities are guided by their budgets. Accountability for both governmental and non-governmental not-for-profit entities is often measured by adherence to operating budgets. Whereas sales revenue and tax revenue take center stage for for-profit entities and governmental entities, respectively, not-for profits such as private universities rely mainly on items such as donations, contributions, and tuition.

c. In this case, the ad hoc committee might pursue many different courses of action to address the situation. How would each different course of action affect the present and future operating and cash budgets?

For all entity types, a budget is a plan for the future. As the entity progresses through the budget period, unexpected declines in cash inflows will likely necessitate a decrease in spending, if not in this budget period, in the future.

Considering Glory's present budget, the projections for donations may not be met. Estimates for future donations and football revenues may need to be reduced. In addition, if the coach is let go and will be paid his buyout, the university will have to include the buyout payment in budget expenditures over the time period it is paid.

Follow-up Questions

Instructors may want to add additional questions regarding specific accounting treatment (journal entries and financial statement effects) of various related events. These questions may also be integrated into discussions after coverage of relevant course material.

Professional Development Questions

1. Katelyn has passed the CPA exam and will apply to be a CPA when she completes one year of work. What effects, if any, do you think the enormous media coverage of this situation will have on

a. Katelyn's job prospects?

Katelyn should be concerned about her professional image after this event and how it will affect her job prospects. Firms may be hesitant to hire a new staff member who has had her picture in the media surrounding a scandal. In addition to the interoffice gossip it may cause, clients who recognize her will talk about it as well. Because CPAs and CPA firms hold the public trust, the firm may see hiring someone who was involved in a public scandal as damaging to their reputation. This can bring up discussion about whether one unethical act makes someone an unethical person. If the hiring committee at a CPA firm holds this view, Katelyn may not be hired because they believe that she cannot be trusted. Katelyn's job prospects might be improved if she is willing to relocate to an area where this story got little or no press coverage or if she is willing to seek employment in private accounting (industry, government, non-profit) where her employment will not be so public-facing (i.e., she would be less likely to interact with clients).

Students may want to argue that Katelyn's actions in her personal life will not affect her ability to perform the duties of a first-year staff at a CPA firm or that an employer has no right to dictate or in any way consider the personal life of one of its employees.

- b. Katelyn's likelihood of becoming a CPA? (Could she be denied a license because of her actions related to this case?)

Katelyn has passed the CPA exam. It is likely that her only outstanding requirements for becoming a CPA are experience and a background check. If Katelyn is struggling to find a job, she may have trouble getting the required experience in within the time frame allowed. As an example, the state of Arkansas requires one year of experience (2000 hours) within three years of passing the exam.

With respect to the background check, CPA licenses are not typically denied for lapses in personal judgement unless they rise to the level of being criminal. However, many state boards of accountancy and the AICPA are concerned with actions that would discredit the profession. If Katelyn is charged with a crime, particularly a felony, the State Board of Public Accountancy may deny her a CPA license. While her affair is not criminal, she did leave the scene of a crime, which is criminal in some jurisdictions, but usually a misdemeanor. Now that she has been identified as being present during the commission of a crime, the robbery and assault, she will likely be questioned about her involvement.

2. Is media, including social media, a concern for all individuals who are interviewing? Explain. What actions should students take concerning their social media prior to a professional job search?

Yes. Employees are reflections of the firms that employ them. Although Katelyn's situation is extreme in terms of public awareness, most people have social media accounts. Prior to interviewing, people should carefully review and edit all social media outlets. Some courses of action include the following:

- Make Facebook and Instagram accounts private so that only their network can see what is posted. However, keep in mind that everyone in a social network can screenshot posts and share without the original poster's permission. In *Ehling v. Monmouth-Ocean Hospital Service Corp.* (2013), Ehling's private Facebook posts were screenshot by a Facebook friend and coworker and turned over to her employer.^{vi} Ehling was a health care provider at a hospital who made a post stating that a shooter in a race-hate crime (who was later shot by police) should have not been provided life-saving measures. Ehling's employer terminated her after her private post was provided to them. She sued, stating that those posts were private, but the court did not side with her claims since she gave access to the "friend" who screenshot them.
- Remove posts that have offensive language and pictures that contain inappropriate content. What students believe is offensive or inappropriate can vary from what employers might find offensive or inappropriate. A good way to measure that would be to ask, "Would it be okay if my supervisor or client saw this post or had this photo hanging in the office?"
- Students should also consider blocking friends who routinely post inappropriate items and blocking others from tagging them in posts. Even if not an original post, tagged posts or comments may be visible on the one's social media feed.

Ultimately, social media should be treated similarly to interview protected class items such as religion, politics, or marital status, to name a few. Interviewers cannot ask about these protected items, but if an interviewee reveals these protected items about themselves (or if it is revealed to the interviewer through other channels), there is no way to know whether it is being used against the interviewee in a hiring or promotion decision. While social media and social life don't generally fall under the same legal protections, it may have an effect on the way an interviewer perceives the interviewee.

Teaching plan

The study of ethics typically takes two forms: theoretical and practical. The former focuses on established ethical theories that come from philosophers, religion, and other sources, and asks the student to consider how holders of those theories would react in a given situation. The latter, practical study of ethics, particularly in business, focuses on scenarios and calls on the student to think through the issue, imagine how it will affect or be viewed by stakeholders, and to determine a course of action. This case takes the latter form by investigating unethical behavior and working toward a course of action.

There are many guides for resolving ethical dilemmas. The Seven Wisdoms Institute provides a six-step process for resolution.^{vii}

1. Identify the problem
2. Identify the potential issues involved (stakeholder analysis)
3. Review your organization's code of ethics, policies, and relevant laws
4. Evaluate potential courses of action
5. Obtain consultation
6. Determine the best course of action

The ethics questions in this case follow Seven Wisdom's process but omit step five. However, this case goes beyond traditional ethics cases. Additional question sets require students to consider other practical matters, specifically how the accounting and finance function will be affected by the unethical behavior and how unethical behavior can have a direct effect on an individual. Accounting practices and personal lives are seldom considered in the stakeholder analysis, so these additional questions make clear how ethical dilemmas have very real implications for business professionals.

STRATEGIES FOR USING THE CASE

Instructors may assign this case as one assignment or as a series of assignments. If it is assigned as a single assignment with one deliverable, it is recommended that it be due after lecture coverage of relevant topics. As a series of assignments, it can bring continuity to several class days surrounding the relevant material. The ethics questions can be assigned before the lectures, the accounting questions assigned after the lectures, and the professional development questions assigned as a final assignment in the chapter. This case, while short in facts and prompts, has the potential for rich discussion and longer written responses.

This case, in its entirety or each set of questions, can also be assigned as individual work or, to encourage discussion, as a small-group assignment. A follow-up large-group discussion with the entire class may also be desired and beneficial. Suggested solutions includes follow-up questions for use during in-class discussions. To avoid free riders in group work, assign the written work as an individual assignment first. Students who do not submit an individual written assignment could be grouped together or, alternatively, would not be allowed to participate and/or earn points in the group assignment (small or large).

Prior to the assignment of the case, the instructor should discuss what defines an ethical dilemma and the concept of ethics. Use of professional codes of ethics bring the profession into the classroom. For example, in the accounting profession, the AICPA states that "an ethical conflict arises when a member encounters obstacles to following an appropriate course of action due to internal or external pressures or when conflicts exist in applying relevant professional standards or legal standards, or both".^{viii} Furthermore, the IMA Statement of Ethical Professional Practice states that "In these situations, the member should not ignore them, but rather should actively seek resolution of the issue. In determining which steps to follow, the member should consider all risks involved and whether protections exist against retaliation."³ In addition to course materials, students may find the following publications helpful.

- Cheffers, M., and Pakaluk, PM. (2007) Understanding Accounting Ethics, Massachusetts: Allen David Press.

- Kidder, RM. (2005) *Moral Courage: Taking Action When Your Values are Put to the Test*, New York: William Morrow.

A sample grading rubric is presented in the appendix. It is segregated into four sections to match the four learning objectives for this case. Points are intentionally not assigned to the levels of achievement on the rubric so that instructors can assign points that match the course points associated with the assignments made in class. At a minimum, points would be 0 for fails to meet basic, 1 for meets basic, and 2 for capstone achievement.

Evidence of Efficacy

This case was pilot tested for efficacy in three forums: an undergraduate governmental and not-for-profit (GNFP) accounting course, a continuing professional education (CPE) event for CPAs, and a group of volunteer students. Initially, twelve students were asked to complete the case as part of a take-home exam and were graded by the course instructor for completion only. The case authors received the student responses with names removed for anonymity. More than half of the class agreed or strongly agreed that the case increased awareness of ethics in government and not-for-profit settings and that the case increased awareness of conduct requirement of the accounting profession. After a debrief with the course instructor about student's verbal comments, it was revealed that the students believed the assignment was too much work for the number of points (5% of exam; approximately 0.75% of total course grade). Based on the quality of the written answers and feedback from the instructor and the students, minor edits were made to the case and the questions.

The second forum in which the cases were tested was at a continuing professional education event attended by 110 accounting professionals. The event provided a total of eight hours of CPE including two hours of ethics, which included this case study. After reading the case, the CPE presenters asked general discussion questions in the categories of ethics, accounting, and professional responsibility. (The presenters did not ask the specific questions that are presented in this paper.)

The result was a lively discussion among professionals about the fact that accountants are often asked to weigh the financial implications of the actions of others and what the accountant's role should be in this scenario. In addition, the professionals debated on whether Katelyn would be considered for employment at their firms (some yes, most no). While the case authors led the discussion, the audience comments determined the direction. CPE participants were asked to submit a voluntary evaluation of the entire event. Seventy-five responses were received. When critiquing this ethics session, participants responded to (a) the relevancy of the topic and (b) the coverage and detail of the topic using a scale of poor, fair, good, great (with great=4). The average reply was 3.83 for relevancy and 3.80 for coverage and detail indicating the professionals found the case and topic to be of interest and relevant to their professional development. Based on comments and issues raised in discussions, case facts were modified slightly to increase focus on a smaller number of issues. In addition, some questions were added or rewritten to encourage thought processes by students similar to that of the professionals.

Finally, a group of 18 junior- and senior-level accounting majors, who were offered bonus points to participate outside of class, analyzed the revised case in an ethics workshop. They submitted written responses and then attended a group meeting (via Zoom) to discuss the case. The discussion was very rich. The students brought up many great points, some of which were added to the teaching notes for this case. Because of the in-person nature of this event, students could not remain anonymous for their written and verbal comments. However, six anonymous evaluation statements were posed to the participants (answered 1=strongly disagree to 5=strongly agree) after the discussion. The statements and mean responses are given below. Using a one-tailed t-test, each of the means is significantly higher than the middle value of 3=neutral. The t-statistics and p-values are given. It is of note that for the last two questions, all participants answered strongly agree.

- These cases supplemented my understanding of accounting standards. (mean=3.95, t-statistic=12.37, p-value \leq 0.0000)
- These cases increased my awareness of the importance of ethics in a governmental or not-for-profit setting. (mean=4.89, t-statistic=24.78, p-value \leq 0.0000)
- These cases increased my awareness of conduct requirements of the accounting profession and/or employers. (mean=4.22, t-statistic=9.46, p-value \leq 0.0000)
- These cases emphasized my own professional development in terms of ethical actions and values. (mean=4.44, t-statistic=9.95, p-value \leq 0.0000)
- The written requirements for these cases were a manageable length. (mean=5.00, t-statistic=35999, p-value \leq 0.0000)
- Classroom discussion was lively, interesting, and informative. (mean=5.00, t-statistic=35999, p-value \leq 0.0000)

The written responses were graded using the rubric provided in the appendix. Performance on the three questions sets is described below. Only answers to the questions were graded. These scores do not include writing quality or the quality of group discussions. In general, the quality of answers provided was very high. While many students failed to meet the capstone achievement, it was due to not fully answering all parts of the question and was not related to incorrect answers.

- The average score on the written ethics questions was 74%, ranging from 24% to 95%. The written answers combined with the quality of contributions made during the group discussion indicated that the students were aware of the ethical issues as they related to codes of conduct and effect on others.
- The average written score on the accounting questions was 65%, ranging from 10% to 100%. Only 33% of the students who participated in the workshop have completed a governmental accounting course. Additional effort and better scores perhaps could have been achieved if the case was for course credit instead of an ethics workshop. However, the group discussion provided an excellent opportunity to provide students information on the different accounting standard setters as well as the importance of budgets in the governmental and not-for-profit settings.
- The average written score on the professional development questions was 98%. Professional development is emphasized throughout coursework, so it is not

surprising that students know the “right answer” to these questions. The questions and group discussion emphasized the importance of professional development during college, as well as introduced the impact of one’s actions on gaining employment and the experience required to obtain a CPA license.

EPILOGUE

This case was based on actual events at the University of Arkansas. In 2012, Coach Bobby Petrino was involved in a motorcycle accident (not a home invasion) and failed to inform the University that a former student who was a current athletic department employee, with whom he was having an inappropriate relationship, was in the accident with him. The University officials announced the accident in a news conference without the yet-to-be disclosed information.

Shortly after the accident, the relationship was brought to light; according to the press coverage, the Coach revealed the truth when he discovered the female’s name would be in the public police report. After receiving the updated account of the accident, the University’s Athletic Director Long stated, “He made the decision, a conscious decision, to mislead the public on Tuesday, and in doing so negatively affected the reputation of the University of Arkansas and our football program. In short, Coach Petrino engaged in a pattern of misleading and manipulative behavior designed to deceive me and members of the athletic staff, both before and after the motorcycle accident”^{ix}. Coach Petrino was later fired for cause. Therefore, the University was not required to pay the Coach’s contract buyout.

Bobby Petrino is still coaching college football, but he has had several jobs since the scandal in Arkansas.^x On November 30, 2023, more than a decade after the incident that motivated this case, The University of Arkansas announced that Bobby Petrino would be their next offensive coordinator.^{xi}

APPENDIX: GRADING RUBRIC

Ethics Questions	Outstanding	Acceptable	Fails to Meet Basic Level
1. Relevant facts and problem identification	Summarizes the facts accurately and identifies all relevant the problems	Restates the case without summarizing OR does not identify the problem	Restates the case without summarizing and does not identify the problem
2a. Codes of Conduct	Appropriately references codes of conduct in the text that applies to this case including broad individual characteristics and those sections relevant to this case	Identifies codes of conduct and its elements but does not tie them appropriately to the facts of this case OR includes inappropriate references	Does not reference a university code of conduct or the AICPA and/or its elements, and does not consider obligations of stakeholders

2b. Accountant's Professional Responsibility	Discusses professional obligations with support of appropriate professional codes of conduct	Discusses professional obligations in general terms without support of appropriate professional codes of conduct	Identifies professional obligations without analysis
2c. Committee Members' Personal Obligations	Identifies personal obligations and ethics of committee members and analyzes their impact on the problem	Identifies personal obligations and ethics of committee members	Fails to consider personal obligations and ethics
3. Stakeholders	Identifies the majority of the stakeholders (6 or more) and provides a thorough listing	Identifies the majority (4-5) of the stakeholders, but omits more than one key individual	Identifies a few (3 or fewer) affected stakeholders
4. Alternative Courses of Action	Identifies multiple alternatives and the ramifications of each	Identifies only a few alternatives OR omits the ramifications of each	Identifies only a few alternatives and omits the ramifications of each
5. Recommended Course of Action	Selects a logical course of action providing adequate detail and supports choice with ethical reasoning	Selects a logical course of action but does not provide adequate detail OR support the choice with ethical reasoning	Selects a course of action that is inconsistent with ethical decision making
Accounting Questions	Capstone Achievement	Basic Achievement	Fails to Meet Basic Level
1. Financial Accounting	Correctly identifies the appropriate set of accounting principles; appropriately identifies multiple potential effects (present and future)	Identifies a set of accounting principles or fails to consider multiple courses of action or their effects;	Fails to identify a set of accounting principles and financial effects; provides few or no details; identifies one or no financial effects
2. Managerial Accounting	Correctly identifies the purpose of budgets AND identifies effect of the various courses of action AND explains	Answer correctly for present but not future (or vice versa) OR doesn't consider more than one course of action OR partially correct OR	Incorrectly identifies budgeting purposes OR lacks budget effect OR answer lacks details OR doesn't explain

	differences from other types of entities	doesn't fully explain difference from other types of entities	difference from other types of entities
Professional Development Questions	Capstone Achievement	Basic Achievement	Fails to Meet Basic Level
1. Job Search and Licensing	Answers the question(s) completely with evident ethical awareness	Answers the question(s) incompletely OR without ethical awareness	Answers the question(s) incorrectly without ethical awareness
2. Online Presence	Answers the question(s) completely with evident ethical awareness	Answers the question(s) incompletely OR without ethical awareness	Answers the question(s) incorrectly without ethical awareness
Submission Quality	Capstone Achievement	Basic Achievement	Fails to Meet Basic Level
1. Grammar, style, and organization of written response	Uses correct grammar and style and is organized in a manner to convey information effectively	Uses predominantly correct grammar and style and is somewhat organized in a manner to convey information	Fails to use correct grammar and style is not organized effectively
2. Classroom Discussions	Actively participates, providing relevant comments and consideration for others' opinions	Limited participation, participates only when prompted, or mainly provides comments that are not relevant	Does not actively participate or participation is disruptive to the discussion

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