

Buffett Warns Against the 'Everybody Else is Doing It' Ethics Defense

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NEW YORK

Billionaire Warren Buffett used plain talk to warn his senior staff about the temptations of ethical shortcuts.

The second-richest man in the United States said that "the five most dangerous words in business may be, 'Everybody else is doing it,'" according to *Forbes*.

The *Financial Times* reported that Buffett ordered top managers at his Berkshire Hathaway Group to crack down on unethical behavior, citing the recent spate of allegedly backdated stock options in various high-tech industries as an example of "bad behavior."

The *Times* said it secured a memo in which Buffett warned that some misbehavior is inevitable in his 200,000-employee company, "but we can have a huge effect in minimizing such activities by jumping on anything immediately when there is the slightest odor of impropriety."

"Berkshire's reputation is in your hands," Buffett added.

According to a report from Bloomberg, Buffett warned that good corporate behavior goes beyond simply adhering to the letter of the law. He told executives they must be comfortable with their actions if they were printed "on the front page of a newspaper." ■

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Enron Collapse Caused Also by Those Who Looked the Other Way: Whistle-Blower

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Lynn Brewer details ethical dilemmas during college appearances

INDIANAPOLIS

An Enron whistle-blower recounted the moral dilemmas involved in exposing the situation during a recent series of college business-school appearances, noting that for her, the decision involved balancing the desire to tell the truth versus giving up as much as \$30,000 per day in stock options.

Former Enron executive Lynn Brewer told an audience at Indiana University's Kelley School of Business last week that she was strongly tempted to ignore what was happening at Enron, according to a report from the campus newspaper the *Indiana Daily Student*. "Some days I was making \$20,000 or \$30,000 per day. I didn't even have to go to work to make money," she said. "I began to realize that I'd been given twice as many stock options.... I realized that I'd become Enron at that moment because I chose to look the other way for the financial benefit of the

see *Enron on back*

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"How would you feel if the mouse did that to you?"

Enron - continued from front

stock options, something that [former Enron CEO] Jeff Skilling and [former Enron chairman] Ken Lay were doing every day," she said, according to the paper.

"... I realized that I'd become Enron at that moment because I chose to look the other way..."

Indianapolis television station WISH reports that Brewer, who worked for Enron for more than three years be-

fore going public, noted that she was rebuffed by her supervisor when she first reported irregularities.

She then confronted the additional dilemma of what would happen if she went public with the details, reports WISH, including exposing herself to legal retaliation and the possibility, later to come true, that exposing the fraud would eventually bring the company crashing down.

Words from the Wise

"How lovely to think that no one need wait a moment. We can start now, start slowly changing the world."
— Anne Frank

"Never doubt that a small group of thoughtful, committed citizens can change the world. Indeed, it is the only thing that ever has."
—Margaret Mead

Brewer also repeated a theme stated during a speech at Penn State earlier in the month, noting that the biggest lesson coming from Enron was not about corruption; instead, she said, it was about the hundreds of people who observed corruption but looked the other way, according to the *Penn State Collegian*. ■

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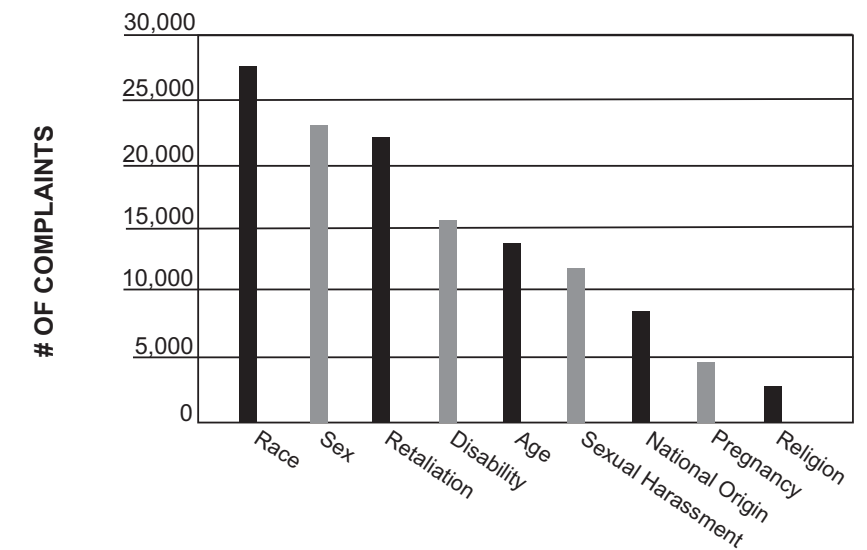
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