

DISCIPLINE AND TERMINATION AUDIT

1. Do you have a company ethics statement?..... Y N DK NA

Good ethics is good business! Do you have a company code of ethics statement? If you don't, please see our **Sample Code of Ethics**, contact the Ethics Resource Center in Washington, D.C. at (202) 737-2258 or visit their web page at www.ethics.org, or contact the Josephson Institute of Ethics in Marina Del Rey, CA at (800) 711-2670 www.josephsoninstitute.org. Both web sites have excellent resources regarding ethics.

2. Do you have a policy for the reporting of illegal or unethical activity?..... Y N DK NA

According to a recent article by the Wall Street Journal approximately 40 percent of employees would not report unethical conduct to upper level management. In a 1998 poll of 2,000 U.S. employees, 41% said they were aware of unethical or illegal behavior going on at the office! There is simply no substitute for educating employees about ethics and then demanding they speak up. To help you do just that we suggest you use our **Business Ethics and Conduct Disclosure Statement** and distribute on at least an annual basis.

3. Do you hold your company leaders and employees responsible for conforming to your ethics policy?..... Y N DK NA

As an ancient Chinese Proverb says, "Fish stink at the head". Various studies indicate ethical violations by upper level management are far more costly than violations by the rank and file. There is no substitute for the message about ethics coming from the top. Not only does management have to talk ethics, they have to walk that talk as well.

4. Do you provide incentives or rewards for ethical behavior?..... Y N DK NA

You want to *reward that which you want to reinforce*. If an employee discloses an ethical violation, either internal or external to your organization that disclosure should be rewarded, not punished. Punishment and ostracism only result in non-productivity and whistle-blower lawsuits.