**Case Study**

**Topic: Business Ethics**

Benji Watson graduated near the top of his class in the Liberty University MBA program, and he was recruited by several national corporations. One of those corporations was New Gen Health Sciences. New Gen manufactures and sells various vitamins, health foods, and health supplements; it was recently featured in Fortune Magazine as one of the fastest growing companies in America.

Benji was invited to attend a weekend-long “Get to Know Us” event at New Gen’s headquarters in Seattle, WA, with all expenses paid by New Gen, an invitation that he agreed to accept.

While sitting in the Richmond, VA, airport, awaiting his flight to Seattle, Benji decided to do some online research about New Gen. Most of the articles touted the great financials the company was producing. One article talked about how New Gen sent researchers around the world in search of new beneficial health resources. Another article contained an interview with New Gen’s founder and CEO talking about his “mission” to create a healthier America and about his company’s industry-leading ethics code.

Another article, however, mentioned how the founder and CEO had a pattern of starting new businesses, building them up and then, selling them at a huge profit before moving on to something else. There was also another article that talked about how New Gen was a big contributor to Planned Parenthood, the ACLU, and various “progressive” causes.

Benji also came across a “gripe site” that accused New Gen of various questionable business practices such as: forced purchase; tie-in agreements with their distributors that required distributors to purchase set amounts of product with payment in advance, regardless of the distributors’ actual sales; and required them to purchase set amounts of less popular products if they wanted to purchase the more popular products. The site argued that these practices had helped to drive many of the distributors into bankruptcy in slow economic times.

When Benji arrived at New Gen, he was met by a corporate recruiter and was given a New Gen Polo Shirt, custom New Gen Apple iPad 4, and a carrying case loaded with various promotional literature and DVDs.

At lunch, the recruiter talked up the company and how smart, young people like Benji were joining the company in droves and rapidly climbing up the management ranks and earning “big bucks.”

When the recruiter asked Benji if he had any questions or comments, Benji mentioned what he had read about the company sending researchers around the world in search of new beneficial health resources. The recruiter laughed and said, “We have the greatest P.R. people in the corporate world.” Benji asked if that meant that the article was inaccurate and the recruiter said, “Well, our P.R. people do make a habit of taking promotional photos in exotic locations, but of course most of our products are actually developed in our laboratories right here in Seattle.”

Benji mentioned that he had read about New Gen’s industry leading ethics code and the recruiter responded, “Well, of course you have to have something like that these days in order to attract investors and pacify government regulators. Our lawyers made sure that they covered all the bases.”

Benji mentioned having come across the “gripe site,” and the recruiter said, “Don’t worry about that. There are always disgruntled ex-distributors looking to blame others for their own incompetence. Our lawyers will have that site shut down within the week.”

Later, at a company “Pep Rally,” the CEO put on a flashy display complete with 3-D video and company cheerleaders. He talked about how much he really cared about people and about making their lives better; however, when an infant that had been brought to the event by another attendee started crying, apparently upset by the noise and flashy displays, the CEO harshly told the infant’s mother to please show some consideration to the rest of the people there and take the child out of the room.

The CEO then went into a form of “corporate sermon,” telling the attendees, “Brothers and Sisters, we are here to offer salvation to fat, lazy, lethargic Americans and to transform this nation in our image. And, if we should happened to get rich as a result of doing so, where’s the harm in that? Can I get an ‘Amen’?” Many in the room shouted “Amen.”

At the end of the weekend, Benji was presented with a recruiting contract offering him a starting salary of $80,000.00 plus commissions. He would attend a 2-week corporate orientation and, then, be sent out as a junior manager in the company’s Atlanta, GA, office. The recruiter remarked that, because Benji was a Liberty grad, the company assumed he was a Christian, which meant he could likely “talk the talk” needed to bring in some new distributors in the south.