

Business ethics assignment

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In this bright future we have people who thrive for money and will do almost anything they can to receive the large amounts of money that is possible. How far will one person go to make an immense amount of money? Would they go through a Opinion scheme? A Opinion scheme is an investment fraud that brings the payment of the purported returns to existing investors from funds contributed by new investors. Opinion scheme organizers often solicit new targets by promising to invest their funds in opportunities claimed to generate high returns with little or no risk at all.

In almost all of the Opinion schemes, the fraudsters focus on trying to attract new money to make the promised payments to earlier-stage investors and to use for personal expenses, instead of engaging in my valid investment action. The term Opinion scheme gets its name from Charles Opinion, who tricked thousands Of New England residents into investing in a postage stamp speculation scheme back in the sass. Opinion promised he could provide a 50% return in just 90 days while annual interest rates from bank accounts were just 5%.

He quickly switched to using incoming funds to pay off earlier investors. It took him 9 months to get caught for creating this kind of scheme. There is only one type of person that in my mind would do all of this criminal behavior and hurt thousands of lives by stealing and falsifying their income and that would have to be an Ethical Egoist. They come from the theory of ethical egoism, which is a type of person that acts in their own self- interest. They believe that everyone should limit their own judgments to their own ethical egos.

They determine how things should be done while only trying to progress their side or self-interest. These types of people do not care if they hurt anyone if they are making profit. In ethical egoism one is morally required to make them as happy as possible. They have no moral obligations. They don't care if someone is going to make it through their deal unless it directly involves them or his or hers profit. There is another Opinion scheme that would make history as the longest Opinion scheme that had ever been recorded and that happened with none other than Bernie Maddox.

Who is Bernie Maddox one would say? Bernie Maddox was an iconic CEO of his own securities firm that ran over 18 years. He was the former chairman of NASDAQ, and was able to deceive employees, regulators and of course investors with the help of his Opinion scheme. He had also served as a board member at NASA the pioneer organization to FINER. Maddox kept his business operations very close to himself and only a couple of employees. He only had direct reports with his sons and his brother. There was a 17th floor in his headquarters where the trading computer was at.

Only some of his trusted employees had access to that floor. The computer that had all the files on it was way out of date and everyone wondered why he didn't just get a new computer to hold all the trade files. The only reason he kept that old computer and didn't get a brand new one is because if he got a new computer than it would require him to transfer all of his trade files. All of his nonexistent trades. Maddox only used around 20 people to do his work that would normally require roughly around 200 people in another firm. No one thought that was weird.

Around November 7th 2005 emails were sent to the SEC concerning Mr.. Maddox and how his plans were likely a Opinion scheme. The SEC closed the investigations 11 months later but then eventually found out that it was a Opinion scheme. Mr.. Maddox entered a guilty plea and was sentenced to 150 years in prison. His houses, penthouse apartment were oaken possession of by the US Marshall to be sold off for funds being used to pay off the victims. The judge of the Maddox case noted that what Mr.. Maddox did was beneficiary evil. " What is fraud?

Fraud is the intentional dishonesty made for personal gain. There are some ethical issues with fraud. One of the ethical issues of dealing with fraud is that you are stealing money that is not yours. Stealing is a huge ethical issue. Stealing money that is not yours causes people's lives to suffer, they lose what they have earned and it isn't ethical at all. Another issue that is alt with fraud is that of the dishonesty. When committing fraud chances are that you are lying to people for them to believe that everything is okay and that you aren't pilfering their money.

Being honest is a huge part of business practice, for one to commit fraud one first must gain trust and that starts off with being honest. Then once one has the trust of the people it becomes easier and easier to commit ethical dishonesty. One more ethical issue with fraud would be the lack of integrity it takes to cheat everyone out of their money, it is very unethical. Fraud is a very unethical thing to do, more than keel one of the most unethical things one can do in the business world. It has cost a lot of people a lot of money and it has put enormous amounts of people in jail. People become corrupt with power to take innocent investor's money. They may start out little and <https://assignbuster.com/business-ethics-assignment-essay-samples-16/>

then from there it just goes bigger and bigger until they can't control it anymore. I picked ethical egoism for the Bernie Maddox case because I felt that the ethical issues that were presents by fraud were very ironically the same. For ethical egoism it is said that one only does thing that will encourage self- interest. For this case fraud was presented and an ethical issue for fraud is stealing. Stealing money from innocent people for ones self sounds like a type of ethical egoism.

Another issue that was presented with fraud was the dishonesty that was involved. Being dishonest while one is reaping the benefits of someone else's money is wrong and sounds like one is being an ethical egoist. The other issue that was presented was corruption that happens with fraud. Like in ethical egoism it only happens because of self- interest. One Starts hardly committing any fraud and then when they realize hat they can get away with it they do it bigger and bigger until they cannot handle it.

I believe what Bernie Maddox did was incredibly wrong but one would have to think that for keeping something up that usually doesn't go longer than a year and making it go for 18 years there has to be some ingenious behind it. I do not know how someone could keep this fraud up so long because I would feel like it was a constant battle between employees asking what was going on and the SEC all over them. But as we know the SEC was not entirely over them until the very end of his down fall. I do not know what would do if I was died into all of this fraud because I think it was very unethical of what he did.

Bernie Maddox had to have been a little crazy to believe he could ever get away with all of this, but I guess he did sense he got through over 18 years

of it. 18 years of fraud full of lying, dishonesty, and corruption would drive anyone crazy in my opinion and do not know how he kept it together most of the time. Feel very bad for all of the clients that were scammed out of all of their money and I do not understand how someone could do that to so many human beings. Some ways that could stop future fraud like the Bernie Maddox case are very impel.

I believe that if they enforce harsher penalties On people Oh commit these kinds of frauds they would think twice about what they were doing. Another way would have to be to enforce outside auditing on every business no matter how big or small they are. I feel if they did that no one would have a chance to do so much fraud as Maddox.