

Salt lake olympic bribery scandal essay sample



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I. INTRODUCTION

The Olympic Games took place in the United States at Salt Lake City, Utah. The tournament opened on February 8, 2002 and closed on February 24, 2002. There were 77 NOCs, 2, 399 athletes, 78 events, 22, 000 volunteers and 8, 730 of the media. “ The Games saw the expansion of the Olympic program to 78 events, including the return of skeleton and the introduction of women’s bobsleighs. Athletes from a record 18 National Olympic Committees earned gold medals, including first-ever gold for China and Australia” (Olympic. org). The Olympic International Committee is the supreme authority of the entire Olympic Games, responsible for organizing and maintaining a successful event. “ Acting as a catalyst for collaboration between all parties of the Olympic family, from the National Olympic Committees (NOCs), the International Sports Federations (IFs), the athletes, the Organizing Committees for the Olympic Games (OCOGs), to the TOP partners, broadcast partners and United Nations agencies, the International Olympic Committee (IOC) shepherds success through a wide range of programs and projects.

On this basis, it ensures the regular celebration of the Olympic Games, supports all affiliated member organizations of the Olympic Movement and strongly encourages, by appropriate means, the promotion of the Olympic values”(Olympic. org). In December of 1998, the U. S Department of Justice discovered that the Salt Lake Organizing Committee (SLOC)of the Games might have been involved in bribery acts with the International Olympic Committee. SLOC admitted paying IOC members relatives tuition and expenses. They also offered the members free healthcare services by paying

for their plastic and medical surgeries. The U. S Department of Justice believed that all these bribery allegations were done to ensure that the 2002 Olympics would come to Utah. The objective of this paper is to evaluate using the three values of law, ethics and social responsibility whether the Salt Lake Organizing Committee which is responsible of organizing sports events in the city was legal, ethical and socially responsible in organizing the Winter Olympics of Salt Lake 2002.

II. LEGAL SECTION

A. INTRODUCTION

It is important to discuss slightly the background information about the issue in this case. The SLOC is responsible for Utah's sports events and having a clean reputation is important for the city's future as an Olympic host. The SLOC was accused by the U. S Justice Department of being involved in bribery acts with the IOC to buy votes for the upcoming Olympic event, which eventually took place in 2002. The investigators at justice were trying to find out if SLOC violated the Foreign Corrupt Practices Act, FCPA. The investigators were also trying to determine whether the SLOC have committed tax fraud by misusing exempt money to purchase gifts for IOC members' relatives. It is reported that more than 400 corporations admitted making questionable or illegal payments. The companies, most of them voluntarily, have reported paying out well in excess of \$300 million in corporate funds to foreign government officials, politicians, and political parties. These corporations have included some of the largest and most widely held public companies in the United States; over 117 of them rank in

the top Fortune 500 industries. B. STATEMENT OF RELEVANT LEGAL PRINCIPLES AND RULE OF LAW

When the Foreign Corrupt Practices Act, FCPA, was enforced, many were caught in the act of bribery and for that they were fined and some were sent to jail. This act made a lot of companies in the United States and outside the country to start investigating in order to find these criminals that threaten businesses in our society. The abuses ran the gamut from bribery of high foreign officials to secure some type of favorable action by a foreign government to so-called facilitating payments that allegedly were made to ensure that government functionaries discharged certain ministerial or clerical duties. These types of actions forced the Congress to come out with an act that prohibits bribery that might affect the economy negatively. Congress enacted the FCPA to bring a halt to the bribery of foreign officials and to restore public confidence in the integrity of the American business system.

The FCPA was intended to have (and has had) an enormous impact on the way American firms do business. Several firms that paid bribes to foreign officials have been the subject of criminal and civil enforcement actions, resulting in large fines and suspension and debarment from federal procurement contracting, and their employees and officers have gone to jail. To avoid such consequences, many firms have implemented detailed compliance programs intended to prevent and to detect any improper payments by employees and agents. The FCPA prohibits any American citizen to be involved in committing any bribery for business issues. Paying or receiving money or anything of value makes it against the law and

punishment should be enforced by the government in order for justice to take place. As mentioned in the Lay-Parson's Guide to FCPA, "The anti-bribery provisions of the FCPA make it unlawful for a U. S. person, and certain foreign issuers of securities, to make a corrupt payment to a foreign official for the purpose of obtaining or retaining business for or with, or directing business to, any person. Since 1998, they also apply to foreign firms and persons who take any act in furtherance of such a corrupt payment while in the United States."

The intention of this illegal behavior was to influence foreign governmental officials in hope that they would receive preferential business treatment. Many of the businesses argued that this was a necessary business expense and that without bribes American businesses would suffer in their ability to do business in a climate that would give foreign businesses an unfair advantage. Research, however proved that despite the fact that the payments which this bill would prohibit are made to foreign officials, in many cases the resulting adverse competitive affects are entirely domestic. Former Secretary of Commerce, Richardson, pointed out that in a number of instances, "payments have been made not to "outcompete" foreign competitors, but rather to gain an edge over other U. S. manufacturers." (House of Rep.) So the excuse that this Act would in some way put American businesses at a competitive disadvantage with their foreign counterparts was bogus. Just the opposite was true. In fact, this type of illegal activity ensured in most situations that a substandard product received a premium price with domestic companies and their mostly American stockholders,

instead of foreign concerns, paying the price for the prostituting of the markets. C. APPLICATION OF LAW TO TOPIC AND LEGAL ANALYSIS

After analyzing the case we can see that the SLOC clearly violated the Anti-Bribery and Anti-Corruption law under the Foreign Corrupt Practices Act law due to their illegal bribery acts. If a company or a committee promises or pays a foreign official in favor of advantages for their own business, it is considered illegal and punishable by law. Taking a look back at the case bribes, the SLOC admitted giving IOC family members free healthcare services including medical and plastic surgeries. The bribes were confirmed by Intermountain Health Care that \$28, 000 worth of health services was provided for IOC members which obviously is considered a bribe. Cash payments of around \$5, 000 to \$70, 000 were given to IOC members from Africa and Latin America.

The Utah land deal generated about \$60, 000 for an IOC member in the Republic of Congo. Expensive gifts including a \$2, 000 shotgun were given to the IOC president Juan Antonio Samaranch. Committee credit cards were used to pay for female escorts for IOC members. After looking at all the following bribes committed it clearly proves that the SLOC were the wrongdoers by admitting that they did all these acts. They clearly violated the FCPA and the United States has the jurisdiction over the acts done because the business took place in the United States. The IOC also violated their own rules by using committee credit cards for illegal acts and accepting gifts with amounts that exceeded \$150. Therefore, in essence, that sole act of bribery is illegal. D. LEGAL CONCLUSION

After looking at the facts, we can conclude that the SLOC appeared to have clearly violated the Foreign Corrupt Practices Act of 1977. They confirmed giving bribes and the SLOC president Frank Joklik did apologize and took full responsibility for the actions done by his committee, proving that the committee was guilty of bribing foreign officials. A Swiss IOC member believed that several members were involved in bribes for the past 10 years and that around 5 to 7 percent of the members were open to bribery. In concluding this legal section we believe that the judge's decision to have found the committee innocent of bribery was wrong because there was clearly evidence that they committed bribery. We also disagree with the judge's statement that "the evidence never met the legal standard for bribery." The evidence did exist and SLOC admitted the payment of bribes to the IOC members. Law and ethics go hand in hand. When you discuss law, ethics is touched. Therefore, in the next section, we are going to discuss what ethics has for us in the SLOC bribery scandal. We are going to discuss three forms of ethical theories – utilitarianism, Kantian ethics, and a third form, which is Machiavellian ethical theory. We will compare and contrast the positions of these three forms of ethical theories and see how each of them would see the SLOC scandal. III. ETHICS SECTION

A. UTILITARIAN ETHICAL ANALYSIS

Ethics as a branch of philosophy

Philosophy is the source of all ethical studies and it addresses complex issues from all facets of life. Ethics, also called moral philosophy, is a branch of moral philosophy, and it involves the study of theories of conduct and goodness, and of the meanings of moral terms. Ethics refers to sustained

and reasoned attempt to determine what is morally right or wrong. The field of philosophy traditionally is divided into three parts: metaphysical, political and ethical, and philosophy of knowledge. Metaphysical is the attempt to understand and to explain the ultimate nature of the world which human beings live. Political and ethical is the study of human beings, their nature, place in the world, and their relations with others. The philosophy of knowledge is the studies of what it is ultimately based on, and what correct mental processes (Cavico & Mujtaba, 2010). Philosophical ethics is concerned with examining, proposing, systematizing, and evaluating moral rules, whether actually enforced in some social group or whether desirable. In all efforts, ethics has a dual responsibility. First, it determines the nature of morality, and second, it provides the tool to help human understanding what it means to love and act morally correct. The purpose of ethics is to develop, articulate, and justify principles and techniques that can be used in specific situations where a moral determination must be made about a particular action or practice (Cavico & Mujtaba, 2010). Utilitarianism Theory

Utilitarianism is a systematic theory of moral philosophy developed by the British philosopher Jeremy Bentham. He was one of the earliest and the most influential utilitarians. Utilitarians regarded utilitarianism as an objective, scientific system of ethics, not merely as abstract ethical theory. According to Bentham's theory, the moral course of human conduct, therefore, is the one that promotes the greatest amount of happiness for the greatest number of people. Furthermore, under this theory, "...all people are equally important" (Cavico & Mujtaba, 2010). Utilitarianism is a moral principle which holds that the morally right course of action in any situation is the one that

produces the greatest balance of benefits over harms for everyone affected. So long as a course of action produces maximum benefits for everyone, utilitarianism does not care whether the benefits are produced by lies, manipulation, or coercion. In addition, the theory takes a long term perspective when determining the numeric value of each consequence.

Utilitarianism tries to provide a sense of predictability and future outcomes. In this ethical analysis, we will use the utilitarian theory to determine if the action of the Salt Lake Organizing Committee (SLOC) paying tuition, expenses, and fees for several relatives of International Olympic Committee (IOC) members in order to successfully bring the 2002 winter games to Utah is moral or immoral. We will consider important points when doing this utilitarian analysis and they include evidences from scholarship programs, free medical services, cash payments, real estate deal, and expensive gifts that the SLOC spent for IOC members, as well as the people and parties that involved and related to this scandal. In order to make this determination, we will analyze and assign a numeric value to each stakeholder group. With the result, we will determine the morality of the SLOC's action. Stakeholders Analysis

1/ The Action–Is it moral for the Salt Lake Organizing Committee to win the rights to host the 2002 Winter Olympic Games through offering bribes to the International Olympic Committee during the bidding process in order to earn benefits in terms financial, political and social to Salt Lake City, Utah? 2/ Stakeholder Groups

a. Salt Lake Organizing Committee (SLOC)

Prior to its successful bid in 1995, Salt Lake city had attempted four times to secure the winter games, failing each time in 1932, 1972, 1976 and 1992. No fewer than ten countries submitted applications to host the 2002 Winter Olympics four of which, Salt Lake City (Utah), Quebec City (Quebec), Sion (Switzerland), and Ostersund (Sweden) were named finalists. Winning the rights to host Winter Olympic is a great success of the SLOC although their act of bribery to win it is somehow unethical. The Winter Games cost \$2. 1 billion for projects and activities related to planning and hosting the event, and \$1. 3 billion of the total cost comes from the SLOC. The Games is financially successful raising more money with fewer sponsors than any prior Olympic Games, which leave SLOC with a surplus of \$40 million at the conclusion of the games; even though the scandal of bribery still leaves a negative impact on SLOC's prestige if they want to host other sporting events in the future. Based on this success, we award an overall score of (+4) to the SLOC.

b. International Olympic Committee (IOC)

IOC members received gifts from the SLOC in many different ways so they would vote for Salt Lake City. Six relatives of IOC members received the payments slightly less than \$400, 000. Utah's largest healthcare provider gave free surgical services to two IOC members. IOC members from Africa and Latin America also received cash payments ranging from \$5, 000 to \$70, 000. The gifts also included Utah land deal that turned a quick \$60, 000 profit for an IOC member of Republic of Congo, \$2000 gift for IOC president, Committee credit card for female escorts for IOC members. The case stated that Salt Lake City decided to concentrate its courting delegates from Africa

and Latin America, but because the balloting was secret, the SLOC could not even be sure it had gotten the votes it was accused of paying for. This evidence means that an IOC member may receive a gift without return because the SLOC will not know whether they get the vote from this IOC member or not. Overall, IOC members and relatives got a big (+5) for everything they received. c. Salt Lake city and The State of Utah

Salt Lake City garnered a great deal of benefits from hosting the Olympics. The benefits include alterations in the design of the city which raised the city to certain conformed standards, changes to the physical and current environment, the representation of a city and its culture, and improvements in air, road and rail transport. From Feb 8 through Feb 24, 2002, Salt Lake City was the center of the sports world as 3, 500 athletes from 80 countries participated in 70 sporting events spread across 10 venues. The Winter Olympic Games brought marketing enhancements, such as global media attention, community infrastructural investments, attractive sponsorship spending, the promise of long-term imagery enhancement for tourism and business purposes, and community pride. The Olympic boosted Utah's level of awareness in international markets. There has been an increasing number and magnitude of individual and business decisions to visit, relocate to, or invest in Utah that are attributable to Utah's Olympic recognition. The result is an overall measurement of (+4). d. Utah's Community

The 2002 Winter Olympic Games clearly provided a significant, though largely transitory, stimulus to Utah's economy. Olympic employment includes those with decade-long jobs as well as those employed for only a few months. The sum of employment for Olympic related or induced jobs is

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equivalent to 35, 000 jobs lasting one year. Olympic related employment is relatively small compared to the size of Utah economy. In general, most economic activity, whether for building highways and venues or for providing media and security services, would wind up soon after the games themselves came to a close. Utah's ' Olympic' population increased 17, 000 in 2001 as a result of immigration of many temporary Olympic related residents including broadcasters, construction workers, athletes, service providers, vendors, etc. These migrants relocated to the state prior to the Olympics and then left again following the end of the Games. The Games generated a net revenue of \$76 million to the state and local governments and it never increased the tax burden on Utah residents. Because this economic growth was short-term and eventually fell back to where it was subsequently after the Games, the overall score given to them is (+3). e. United States Society

The 2002 Winter Olympics is the most recent world games to be held in the United States. Salt Lake City is one of the most successful Winter Olympics in history. In a view of the home country, United States earned the pride of hosting a successful world sport festival in one of its cities. There were over 2 billion viewers around the world, who watched more than 13 billion viewer hours. The total economic output of the Games was about \$4. 5 billion, which included all sales from both in-state and out-of-state, on business and individual basis. Goods and/ or services were purchased in the state but some of these values were also produced out-of-state, which benefited many other states besides Utah. There were also assumptions that significant amounts of visitor spending displacement would occur as a result of

decreases in out-of-state skier visits during the Olympic season. Additional costs which included security and infrastructure improvements were not included in the Olympic budgets but provided by government. Many people also contended that to pay for the Olympics, money would be taken from the health, welfare and environmental budgets, where it is most needed, rather than hosting a luxury sporting festival. Overall, the society earns a score of (+2). f. Government

The government stated that the SLOC violated the Foreign Corrupt Practices Act, and it tried to avoid taxes from the hidden money paid to IOC members. The U. S. District Court dismissed all the charges as the federal government wanted to put the case before the jury. The judge stated that the evidence of the case never met the legal standard for bribery. Even if the case had reached a jury, though, the prosecution would have had a difficult time deciding on it since proof of evil intent or bad motive is an indispensable element to a case of bribery and fraud. It is conceivable that current perceptions suggest that the costs incurred in hosting the games, to include the direct and indirect costs of bribery, are dwarfed by the benefits. Anyway, the government still benefits on taxable sales on visitors spending of the Olympics related goods and services such as hotels, restaurants, transportation, retails, etc. Because of these legal mumbo jumbo that happened, the government earns the score of (-2) from our analysis. g. Cities losing the campaign

It has been alleged that Salt Lake City simply “ outbid the competition” for the Winter Olympics in violation of both stated and unstated Olympic principles as well as U. S. Federal laws. The three cities: Quebec City

(Quebec), Sion (Switzerland), and Ostersund (Sweden) could have won the rights to host the Olympics and the benefits that Salt Lake city earned when hosting the Games if they were buying enough votes to win as Salt Lake city did. In response to the scandal, the structure governing the Olympic bidding process has been revamped for better future campaign. The bidding process is now open and trustworthy. Cities can now be confident that the best bid will win and that they should not be put off bidding to host because they fear they will lose simply for not being corrupt enough. The disappointment gives them a total point of (-5).

Stakeholders

Units Assigned

Salt Lake Organizing Committee

International Olympic Committee

Salt Lake city and The State of Utah

4

Utah's Community

3

United States Society

2

Government

-2

Cities losing the campaign

-5

Total

11

Conclusion

Resulting from the above Utilitarian analysis, it is deemed moral for the Salt Lake Organizing Committee to use bribery in order to win the rights to host the 2002 Winter Olympics. The acquisition of such goods outweighs the bad consequences. Although there are disagreements with the action, some of them still earn benefit such as taxes for the government, or income for out-of-state business. The SLOC morally serve the greatest amount of happiness for the greatest number of people. B. KANTIAN ETHICAL ANALYSIS

According to the German philosopher Immanuel Kant, reason is the ultimate base and source for morality. Morality only and wholly is found in pure, innate reason and will not rest in utility, law, conscience, or intuition. Kant also mentioned that “moral” law is binding on human beings as they are rational, and morality is derived from ethical principles that all rational humans accept. For one to be moral one must be rational and vice versa as morality consists of acting rationally (Cavico et al, 2009). Brief explanation of Kantian Ethics

Kant puts great emphasis on the importance of duty. He states one must disregard consequences, even “ happy” consequences, and solely focus on performing one’s duties (Cavico, et al 2009). Kant’s belief was that a rational, ordinary person does not need guidance to arrive at a moral judgment, as the right decision should be clear (Cavico, et al 2009). According to Kant, “ one ought to perform an action, regardless of self-interests, personal desires, or consequences, because it is one’s duty to do so” (Cavico & Mujtaba, 2005). The Categorical Imperative

The supreme ethical principle according to Kant was the Categorical Imperative principle, as it is a required element of human reason and the foundation upon which rest all moral judgments. Kant mentioned that reason indicated that a moral action must have a certain form. The three tests

There are three tests to help determine whether an act is ethical. This ethics “ test” is a formal test. The form, the Categorical Imperative, is the first, supreme, fundamental principle in ethics (Cavico, et al 2009). The Categorical Imperative has three aspects; universality, intrinsic worth and autonomy. Kant claimed the three aspects would amount to the same thing providing form, matter, and complete characterization of morality (Cavico, et al 2009). All three tests must be met in order for an act to be considered ethical and moral. The three tests are the “ Universal Law,” “ Kingdom of Ends,” and “ Agent-Receiver” tests. a. Universal Law Test

This first test is the test of Universality. Actions must be capable of being consistently universal (Cavico & Mujtaba 2005). Organizers of the Salt Lake Organizing Committee (SLOC) engaged in bribing members of the

International Olympic Committee (IOC) by paying the tuition, living expenses and fees for relatives of the IOC members as part of a successful effort to bring the 2002 Olympic Games to Utah. The word here is “bribery” and bribery is illegal and morally wrong. A moral person knows that bribery is wrong and cannot become a universal “law” because bribery erases the possibility of an even playing field. The SLOC members cannot regard themselves as special from a moral point of view, which they were doing by bribing IOC officials. The SLOC definitely failed Kant’s first test of “Universal Law” as bribery is a corrupt business act which, any rational person knows as morally wrong and unfair to others. Bribery is a negative act which is self-defeating, and cannot be consistently universal. b. The Kingdom of Ends Test

The “Kingdom of Ends” test, which is the second test in Kant’s Categorical Imperative principle, illustrates the intrinsic worth of Human Beings. It states that each person must be treated by the other person as an “end” and people must be treated with dignity and respect and as valuable and worthwhile entity in and of itself (Cavico, et al 2009). The US Justice Department reviewed allegations that the SLOC had bribed IOC officials and violated the Foreign Corrupt Practices Act, which prohibits the bribery of foreign officials. In addition, tax fraud could have occurred as investigators were determining whether tax exempt money had been misused by buying gifts or funding scholarships for relatives of the IOC (Cavico & Mujtaba, 2005).

Dignity resides in freedom and rationality. It was irrational to bribe the IOC officials with about \$400, 000 in scholarships and \$28, 000 in surgical services by Utah’s largest health care provider for the relatives of the IOC

officials. The SLOC must have believed they were achieving a higher purpose by bringing the Olympic Games to Utah; however, they failed the “ Kingdom of Ends” test. The SLOC did not care about other countries that were also bidding for the 2002 Olympics, and thereby, treated them without dignity and respect as valuable and worthwhile entities. The SLOC manipulated the IOC officials by offering them a land deal in Utah to make a quick \$60, 000 in profit in exchange for their purpose of bringing the 2002 Olympic Games to Salt Lake City. Regardless of how noble or good the purpose was for Utah and the American economy, bribing the IOC officials failed the second “ Kingdom of Ends” test. c. The Agent-Receiver Test

The “ Agent-Receiver” test is the third test of Kant’s Categorical Imperative principle, where Kant states that rational beings are autonomous (Cavico & Mujtaba, 2005). The “ agent-receiver” asks whether a rational person would accept the action or rule regardless of whether he or she was the agent, or giver, of the action or the receiver of the action or rule (Cavico, et al 2009). While any bribe over \$150 from bidders are forbidden by the IOC rules, the SLOC paid for “ female escorts” for some IOC members and bought expensive gifts, like a pair of shotguns, for the IOC members (Cavico & Mujtaba, 2010). Any rational person would view this practice to be corrupt and create inequalities if they were not the agent or receiver in the transaction. Likewise, any country would find this practice to be corrupt in efforts to win the Olympic Games if they were not apart of the agent-receiver relationship. Rational beings have the ability to recognize, give, and govern themselves according to moral “ law” (Cavico & Mujtaba, 2005). Therefore, the SLOC bribery scandal also failed Kant’s “ agent-receiver” test, and thus,

no rational person or business would engage in bribery because bribery is morally wrong. Problems with Kantian Ethics

The Categorical Imperative is an abstract principle and lacks definite content. Disregarding any and all consequences is not easy in practice. Further, when there are conflicting ends, there is no method given to help achieve resolutions (Cavico & Mujtaba, 2005). In the SLOC bribery scandal, it may have been impossible for any country to win the opportunity to host the Olympic Games without bribing the officials. For example, an IOC member said he believed “ vote-buying” has been going on for the past 10 years and that approximately 115 IOC officials were corrupt. Another IOC member boasted the fact “ no city has ever won the Olympics without his help” (Cavico & Mujtaba, 2010). In this situation, Kantian Ethics do not provide a moral resolution when certain consequences are too damning. Perhaps the SLOC only engaged in bribery because every other Olympic Committee was engaging in bribery and they felt it was the only way to effectively compete.

Conclusion

The Kantian moral conclusion is that the Salt Lake Organization Committee engaged in corrupt business practices by bribing the IOC officials to gain bids for 2002 Olympics and were immoral. The SLOC failed all three tests of the Categorical Imperative. Bribery is not a universal law as there are laws set by the Olympic Committee officials to prevent these types of unfair and corrupt practices. Furthermore, the SLOC might have been serving a higher purpose by getting the Olympic Games to Salt Lake City; however, the local economy, businesses and reputation of Salt Lake City was going to suffer once the bribery scandal was revealed to the public. The US Department of Justice

also investigated the bribery scandal, illustrating that it was not acceptable and reasonable practices when you are not the agent or the receiver. In summary, what we learned from this investigation and from Kantian Ethics is that people are free, rational, moral beings, and have individual rights and self-imposed duties to respect others and act rationally (Cavico & Mujtaba, 2005). C. MACHIAVELLIAN ETHICS

A conflict problem emerges in Ethical Egoism; conflict is generated when people pursue their own interests. It does not resolve one's conflicts. The solution is to do one's best to prevail. One's actions are not good or bad but diminish one's power as virtue and power become one (Cavico & Mujtaba, 2005). That is a Machiavellian concept. Niccolo Machiavelli (1469 – 1527) was an Italian political philosopher, set out to discover, from history, contemporary events, and his own experience, how principles are founded, won, held, and lost. His philosophy is regarded as “ scientific” in the sense that it is empirical, pragmatic, and rational. His attention focuses on “ what is” in terms of people's behavior and how society should run (Cavico & Mujtaba, 2005). Machiavelli's famous book “ The Prince” states that there are two questions to how people act towards ethics and morality: 1. What do people strive for? This aim, whatever it is, is their “ good.” 2. What acts will produce this good? These acts, whatever they are, are “ virtues” (Cavico, et al 2009).

Machiavelli's answer to his first question was power (Cavico, et al 2009). Machiavelli had a pessimistic view of human nature, and believed people were predominantly egoistic and selfish, unscrupulous and treacherous, envious and greedy, fearful and cowardly, passionate and irrational, and

above all, short-sighted, gullible and stupid (Cavico, et al 2009). He also believed that traditional virtues may be contrary to self-interest. Therefore, he believed that in order to be successful, or “ virtuous,” and achieve the desired, one must use whatever means it required regardless of how many traditional ethical principles were violated. His philosophy was that the “ ends justified the means.” Therefore, he even suggested that one should break promises if it was against one’s interest to keep them (Cavico & Mujtaba, 2005).

Application of Machiavellian ethical theory and principles to the SLOC bribery scandal The nature of Machiavellian ethics of “ what’s good is bad and what’s bad is good” comes into play for the Salt Lake Organization Committee acting ethically when bribing International Olympic Committee officials to win the 2002 games. The SLOC’s main objective was to win the bid for the 2002 Olympic Games, and by doing so, they achieved their main business goal of maximizing profits by getting the 2002 Olympic Games to Salt Lake City and gave Utah more economic power. The SLOC gained this power by bribing corrupt IOC officials, even though bribery is looked down upon and SLOC had to withstand being investigated by the US Department of Justice for violating U. S. Foreign Corrupt Practices Act. Whether bribing the IOC members was right or not became contextual. The “ bad” means of bribery won the good “ end” of winning the bid for the 2002 Olympic Games for Salt Lake City. Therefore, according to Machiavellian ethics, the SLOC was highly ethical in its behavior because it achieved its desired result and won the bid for the Olympic Games. Conclusion

Just as analyzed above, Machiavellian principle was so much depicted in what the SLOC used to have the 2002 Winter Olympic Games hosted in Utah. Machiavelli is commonly considered as the quintessential proponent of a totally amoral approach to reaching goals set, (especially in politics), giving legitimacy to both violence and deceit, to the point that he has attained the dubious honor of having an adjective - Machiavellian - created after his name and was, although arbitrarily, awarded the paternity of the infamous saying "the end justifies the means." In the case we have here, the end simply justified the means; the act in its entirety is moral.

D. ETHICS CONCLUSION

The ethical analysis that our group concluded has mixed ethical results and views about bribery in the business world. According to utilitarian ethics, we concluded that what SLOC did to get the Games hosted in Utah may have been legally wrong, but not morally wrong, considering the total good it provided to the people and the economy. The SLOC morally serve the greatest amount of happiness for the greatest number of people. The Kantian Ethical Analysis illustrates that the Salt Lake Organization Committee's business practices of bribing International Olympic Committee officials failed in all three tests of the Categorical Imperative principle, resulting in SLOC acting immorally. However when weighed against Machiavellian ethics, the SLOC won the 2002 Olympic Games over all of the other countries that bid for the 2002 Olympics, which was the goal for SLOC in order to maximize profits for the city of Salt Lake. This created good virtues for the Salt Lake Organization Committee, which is moral. It is very unfortunate that the Salt Lake Organization Committee resorted to the

unethical practices of bribery to win the 2002 Olympic Games because how the SLOC gains respect and a good reputation within the Olympic and worldwide sports community is a matter of social responsibility. Below, therefore, we will discuss if the Salt Lake City Winter Olympics Games was socially responsible or not. IV. SOCIAL RESPONSIBILITY SECTION

A. INTRODUCTION

For every business venture that is transacted within the business world comes along these sometimes unasked but very important questions; is it a socially responsible business venture? Does the business have a socially responsible motive? Is the company or organization being socially responsible to the community? What is the extent of the organization's social responsibility? Is the community feeling the organization being socially responsible to them? In the case of Salt Lake City Olympics which was so extensively discussed herein, did it yield any socially responsible fruits to the people of Salt Lake City? Or is there a lack of socially responsible attributes towards it? And so on. For such questions to be thought about or asked at all, means that social responsibility is a very vital characteristic for a company or an organization to possess. Up till now, there is some kind of a debate going on about whether it is compulsory for an organization, or a company to be socially responsible to the community where it operates or not. It cannot be promptly said that it is mandatory for an organization to be socially responsible.

As such, that organization cannot be held liable, legally, if it is not “ socially responsible”. However still, an organization is also judged by how “ socially responsible” it is. A company or an organization actually receives good

grades, which transforms to credibility and warm welcome from the community it is situated when they are recognized as socially responsible towards the community. On the other hand, if an organization is perceived as not being socially responsible, especially depending on the type of organization it is, its magnitude, the type of products it produces, and how it directly or indirectly affects the community where it is located, the community tends to kick against it. In fact, there have been cases where firms have been taken to court as a result of being viewed as socially irresponsible. We cannot, however, keep talking about a company or an organization being socially responsible without knowing what being socially responsible is. This, therefore, leads us to asking what being socially responsible to the community means. Defined and explained below is what being socially responsible means. Then, ways by which it can be applied to the topic being written about will be discussed, as well as social responsibility recommendations.

B. DEFINITION OF SOCIAL RESPONSIBILITY

A whole range of definitions of what social responsibility is, abound. According to the online business dictionary, “ social responsibility is the obligation of an organization’s management towards the welfare and interests of the society in which it operates.” Social responsibility is an ethical ideology or theory that an entity, be it an organization or individual, has an obligation to act to benefit the society at large. It is a duty every individual or organization has to perform so as to maintain a balance between the economy and the ecosystem. There is always a trade-off between economic development, in the material sense, and the welfare of the society and environment. Social responsibility means sustaining the

equilibrium between the two. It pertains not only to business organizations but also to everyone whose any action impacts the environment. This responsibility can be passive – by avoiding engaging in socially harmful acts, or active – by performing activities that directly advance social goals. “ A significant element of current thinking about privacy, however, stresses “ self-regulation” rather than market or government mechanisms for protecting personal information” (Swire, 1997).

Most rules and regulations are formed due to public outcry; if there is no outcry there often will be limited regulation. Critics argue that Corporate social responsibility (CSR) distracts from the fundamental economic role of businesses; others argue that it is nothing more than superficial window-dressing; others yet argue that it is an attempt to pre-empt the role of governments as a watchdog over powerful multinational corporations; though there is no systematic evidence to support these criticisms. A significant number of studies have shown no negative influence on shareholder results from CSR but rather, a slightly positive correlation with improved shareholder returns. According to what alexericaandkarina.wikispaces. com has to say on CSR: There are three main areas of CSR Social, Economic, and Environmental. There are three main constituencies that corporations need be aware of when putting together their plan for CSR: customers, shareholders, and employees.

Customers are the most important since they care about the company’s good standing, society support and employee labor practices; shareholders care about CSR in terms of it helping create a new revenue stream and to retain and grow the company’s customer base, resulting in increased profits;

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employees...are motivated by and seeking work with companies who uphold a strong reputation for being socially responsible. People tend to ask many questions regarding the company or organization that operates within their communities. For instance, does the business use recycled paper products or donate to a homeless shelter? What do we gain from having these drilling companies pollute our air and acidify our soil? A growing number of consumers consider such factors when deciding whether to patronize businesses or not. A company's "social responsibility" quotient can make a difference to its bottom line. Different organizations have designed different definitions. The fact remains that there is considerable common ground between them. One entrepreneur defines it as the way companies manage their business processes to produce an overall positive impact on the society.

He contends that companies need to answer to two aspects of their operations – 1, the quality of their management, both in terms of people and processes, and 2, the nature of, and quantity of their impact on society in the various areas. The World Business Council for Sustainable Development in its publication, *Making Good Business Sense* (Holme & Watts, 2000), used the following definition: Corporate Social Responsibility is the continuing commitment by businesses to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large. Evidence from the same report gave different perceptions of what this should mean from a number of different societies across the world. Some see corporate

social responsibility, CSR, as about capacity building for sustainable livelihoods.

It respects cultural differences and finds the business opportunities in building the skills of employees. In the United States, CSR has been defined much more in terms of a philanthropic model. Companies make profits, uninterrupted and unhindered, except by fulfilling their duty to pay taxes. Then, they donate a certain share of the profits to charitable causes, even though it is solely dependent on whether they want to do so or not. In Europe, the model is much more focused on operating the core business in a socially responsible way, complemented by investment in communities for solid business case reasons. The belief that this model is more sustainable stems in part from social responsibility becoming an integral part of the wealth creation process, which if managed properly should enhance the competitiveness of business and maximize the value of wealth creation to society. And when times get tough, there is the incentive to practice CSR more and better, especially if it is a philanthropic exercise which revolves around the main business.

But as with any process based on the collective activities of communities of human beings (as companies are), there is no ‘one size fits all’. In different countries, there will be different priorities, and values that will shape how businesses act. From the foregoing, therefore, the general term “social responsibility” is defined as the obligation corporations, organizations, and individuals have to society. These days, the definition of social responsibility seems to include everything from personal health choices so you don’t add to the country’s health care burden to providing health care benefits to

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employees. In other words, the term “ social responsibility” is bandied about in all sorts of situations. It is applied to personal behavior and to the behavior of the organization, from where you buy your food to where you buy your raw materials. C. SOCIAL RESPONSIBILITY WITH REGARDS TO SALT LAKE CITY

OLYMPICS

Athletic events like the Olympics are events just like every other event, (for instance, political, technological, medical) and are not necessarily expected to be downright socially responsible. This is because they are very temporary, hosted between one day to a number of few months. Because the Olympic Games is a six-week event that is so temporary, is hosted every four years, and is only awarded to cities across the globe via voting of committee members, there is really not a solid notion to perceive the event as socially responsible or not, from the standpoint of specifically having that attribute to the city it is hosted. It can only be generalized in such a way that Olympics itself as a global event is determined as a socially responsible event or otherwise, as the case may be. No donations specifically to communities hosting the event, or charities, or foundations that take care of several aspects of medical research of any sort have been recorded. This probably is because, as pointed out earlier, the Olympics being a six-week event, is hosted only every four years, and in places chosen at random by voting. It is quite unlike companies, or firms, or organizations that reside in a particular community for years, having an array of employees working for them over the years, and running business there.

However, in this discourse, we will instead use the benefits that the Salt Lake City community, the state of Utah, and the United States as a whole, got,

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from having hosted the 2002 winter Olympics as the criteria of judging whether hosting of the event was socially responsible, or not. Granted that the Salt Lake Olympics was mired with rumors of allegations of international bribery of Olympic committee members, it was yet doubtless that it was socially responsible to the people of Salt Lake City, Utah, and, in fact, the United States in general, based on the benefits received on having the event hosted in Salt Lake City. First of all, and as pointed out above, the event put Salt Lake City in the international spotlight as 3, 500 athletes from 80 countries gathered to compete among themselves in 70 sporting events spread out in 10 avenues. It boosted Utah's level of awareness in international markets. There was overall increased workforce as people from different job backgrounds were given jobs several months before the main event to help in preparing the ground for the event. In preparation, major construction projects were initiated.

Alterations in the design of the city which raised the city to certain conformed standards were done. Local freeways were expanded and repaired, there were improvements in air, road and rail transport, and a light rail system was constructed. Olympic venues are now used for local, national, and international sporting events and Olympic athlete training. Tourism has increased since the Olympic Games, even though business did not pick up immediately following them. There has been an increasing number and magnitude of individual and business decisions to visit, relocate to, or invest in Utah that are attributable to Utah's Olympic recognition. The Winter Olympic Games brought marketing enhancements, such as global media attention, community infrastructural investments, attractive

sponsorship spending, the promise of long-term imagery enhancement for tourism and business purposes, and community pride. That clearly provided a significant, though largely transitory, stimulus to Utah's economy.

People were employed for decade-long jobs as well as those for only a few months resulting to about 35, 000 jobs lasting one year being given out. We also pointed out that Utah's ' Olympic' population increased 17, 000 in 2001 as a result of immigration of many temporary Olympic related residents including broadcasters, construction workers, athletes, service providers, vendors, etc. These migrants relocated to the state prior to the Olympics and then left again following the end of the Games. The Games generated a net revenue of \$76 million to the state and local governments and it never increased the tax burden on Utah residents.

There is not more of a social responsibility that you can get from such a temporary event as the Salt Lake City Olympics Games than have been discussed. As a result of hosting the Olympic Games generally, people's lives are always touched in different ways, be it financially, socially, psychologically or otherwise. There is every reason to have the perception that people were satisfied after the Olympics was hosted in Salt Lake City. According to Olympic news outlet Around the Rings, Salt Lake City could be planning another Olympic bid. Fraser Bullock, the chief financial officer of the 2002 Salt Lake Olympics, has said that he was asked about bidding, suggesting there may be encouragement for a bid. If there was no satisfaction for the one hosted before in the first place, there wouldn't be another plan for another bid, at least not this fast.

D. CONCLUSION OF SOCIAL RESPONSIBILITY

Social responsibility has been used as a sort of yardstick for a good business organization or firm. However, some proponents see it as more than changing our lifestyles; whether it is driving less, setting the air conditioner at a moderate temperature of 75 degrees and the heater a little lower, recycling, and a list of other things that can be done to help nature.

President Barack Obama has called upon Americans to take more personal responsibility for the health and well-being of society, whether by incurring less credit card debt or by being better parents. These individual actions have an impact on the economy and on communities; hence responsibility for one's personal affairs becomes a form of social responsibility, just as prudent money-management and fair workplace rules are forms of corporate social responsibility. The complete definition of social responsibility for both businesses and individuals seems to include:

- How we treat the people we meet every day

- How we handle our finances
- How we conduct ourselves at home and at work
- Whether we minimize our negative environmental impacts
- Whether we make an effort to actively improve our communities, and so on.

One entrepreneur advised on social responsibility thus, “ if you think getting involved in social causes would work for your business, here are some things to consider. First and foremost, customers can smell “ phony” social responsibility from miles away. So, unless you're really committed to a cause, don't try to exploit customers' concerns to make a profit.” V.

CONCLUSION

The Utah 2002 Winter Olympic Games was one that continues to be debated in schools and elsewhere. Sides will always be taken regarding places SLOC got it right and places they failed woefully, be it legally, ethically, or whether they were socially responsible to the society or not. As have been analyzed above, we have been able to fish and marshal out several points regarding the topics aforementioned. On the legal front, we decided it was illegal for SLOC to have bribed the IOC officials having clearly violated the Foreign Corrupt Practices Act of 1977, even as SLOC president Frank Joklik apologized and took full responsibility for the actions done by his committee, proving that the committee was guilty of bribing foreign officials. On the ethics front, diverse conclusions emerged, depending on the ethical principle used. For utilitarianism, we concluded that it was morally right for SLOC to have brought the event to Utah, considering the final score derived from the result of the stakeholder analysis.

The final score showed that the end was for the good of the society at large, which made it morally right. But Kant's ethical principles denied that morality. There was never any way bribery could be right in the first place, whether it was for the good of the people or not. If they had been awarded hosting the event normally without any bribery, then the end would have been morally right, but not otherwise. Machiavellian ethics praised what the SLOC did completely. In the whole case, the end justified the means. Therefore, it was a perfect deal and morally right. The event also proved to be socially responsible given all the reasons aforementioned.

Hosting the event in Utah projected the city to limelight and the subsequent brouhaha that came out of it even projected it the more. Simply put, it is just

because the event was hosted in Utah that we are having this discussion now. Finally, we believe that SLOC must have learnt their lessons on how to juggle for hosting another Olympic Games in Utah, and elsewhere too. The bribery case exposed a lot of the dealings of the IOC that the general public never knew were happening. It was a lesson every other committee that may be involved in hustling for and organizing an Olympic event must have learned. As a result of the media coverage of the scandal, it may not be as perfect as it should be trying to get favored by the IOC members to host the event in a particular city. However, it has elevated the carefulness and openness of the process of awarding host cities to greater heights.