

Business ethics



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Johnson and Johnson Convicted of Bribes Johnson and Johnson, one of the largest pharmaceutical companies in the United States in the world has been convicted of bribes. "Conviction" means they have been fined by the SEC and the Justice Department for a total of \$70 million for paying bribes in Greece, Poland, and Romania to doctors and hospitals. Bribes were paid to obtain competitive advantage over firms. They were hidden by 10 percent price increases marked on such drugs and medical supplies branded Janssen and Cilag. Illegal marketing practices to foreigners such as bribing are covered under the federal Foreign Corrupt Practices Act (FCPA). By using private companies which it purchased, slush funds, and sham contracts the company was able to reroute the bribes through extra levels of corporate disguise. The obvious moral issue here is that bribery is wrong. 2. Johnson and Johnson executives had a string of emails and other written communication explaining that the paying of bribes was a usual procedure of doing business in the countries. One email revealed that practically 95% of business in Greece is done this way. Also it is apparent that the method was so open that Greece accountants could not understand why it needed be hidden in their written notes. Bribes were used to pay for the expenses of doctors going on medical conference trips. Johnson is a behemoth of a company and certainly other companies follow their leadership role. Their leadership role is based on experience with proven business techniques developed for surviving in a competitive market. One of these techniques, which Johnson as a well financed company can do well is bribing. 3. One can use the utilitarian rule of ethics here, the greatest good for the greatest number. It would be the variety of action based utilitarianism in which one's action would produce such a good. What Johnson did in bribing the doctors in

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Greece, Poland and Romania was to serve up the greatest good, their pharmaceuticals and their medical supplies for the greatest number of medical buyers in these countries. Further their funds allowed the doctors to go to different conferences. It is only obvious and realistic that a major part of global business moves this way. Only when one pulls out such perspectives as Aristotelian ethics or deontological ethics would the activity be judged wrong. It could be argued under Aristotle that the ethical value of human virtue is demonstrate that one has skilled in making the right judgment, and that in the case of building up business in the Greece drug industry, then the right judgment must concern who to bribe. The case is closed under deontological ethics where the matter would simply say it is morally wrong to bribe because this in effect gives one unfair advantage over others. Johnson & Johnson fined for bribing doctors, Fri Apr 8, 1: 23 pm ET http://news.yahoo.com/s/afp/20110408/bs_afp/usdrugscorruptioncompanyjohnson_20110408172334 Johnson & Johnson Settles Bribery Complaint for \$70 Million in Fines By GARDINER HARRIS Published: April 8, 201 http://www.nytimes.com/2011/04/09/business/09drug.html?_r=1&ner=rss&emc=rss