

Healthsouth fraud

[Health & Medicine](#)



An obstacle to Aaron Beam's moral behavior is when he moved some of the businesses start up costs as expenses and list them as capital investments, which inflates the company profit margins. Beam initially did this because of the pressure from Scrusby to make the company appear more profitable. Then the cycle continues. The way I understand the meaning of the "loyal agent's argument" is that you do what you are instructed to do by your employer regardless. However, I do not believe Aaron Beam could or should have used the loyal agent's argument to defend his actions.

The only way possible would have been because his boss, Scrusby pressured him into "cooking the books" so to speak. Based on our text, Beam knew he was stretching the truth because he continued to believe that the investors had to have some kind of knowledge of what he was doing. According to my understanding of the 3 levels of Kohlberg's moral development, I would place Beam in Level Two; Stage Three: Interpersonal Concordance Orientation, based on how he conforms to how Scrusby expects him to act.

It is important for a person in this stage to feel well liked and I believe Beam needed that validation I found identifying a stage for Scrusby to be more difficult. Based on the information I would pick Level One: Stage Two: Instrumental and Relative Orientation primarily because Scrusby ultimately gets what he wants. He will use the system or manipulate people to fulfill his own needs.