

# Vinson case study

[Business](#)



Should criminal fraud charges have been brought to her? How should employees react when ordered by their employer to do something they do not believe in or feel uncomfortable doing? In discussing whether Vinson should be charged with criminal fraud, it can be analyzed from ethical perspective. One can truly judge whether she was morally responsible for the wrong or not.

In order to determine whether Vinson was morally responsible for the fraud, these criteria should be fulfilled first: causality, knowledge and freedom. The causality criteria can be referred as whether that individual caused or helped cause the wrong, or failed to prevent it when she could and should have. The knowledge criteria then requires the individual to do so knowing what she is doing while freedom criteria requires the individual do so of her own free will before being morally responsible for causing the wrong.

Examining the cause of the fraudulent activities, Vinson initially been pressured by Yates, Myers and Sullivan to aid in painting the financial result of the company only one time and assured by Sullivan that he would take full responsibility for the action.

Being a senior manager worked under them and believing in Sullivan words, Vinson did as told accordingly. However, she decided against quitting when been asked to continually carry out the wrong as she justified herself as the main supporter of her family.

Moreover, being an accountant for a long time, Vinson supposed to know the methods used to boost the company's revenue were illegal but she still continued the acts at her own free will. This matter hence proved that she

Nas morally responsible for the fraud as she did the wrong knowingly it as a wrong at her own free will even though she did not contribute to the initial cause of the fraud. On the other hand, moral responsibility can be mitigated by minimal contribution, uncertainty and difficulty factors, depending on how serious the wrong is.

Vinson can be considered as one of major players in World's fraudulent activities as she was one of those who made the entries for the accrual releases and expense capitalization. Moreover, she also participated in obtaining the account number for he international fixed costs in order to release \$370 million accruals when the director of the division, Schoenberg himself refused to make the adjustment. In addition, Vinson did all the fraudulent activities without any feeling of uncertainty that the actions were wrong even though she herself had difficulty and personal dilemma to refuse such actions.

Despite those factors, the wrongdoing had inflicted a significant financial and psychological impact on the company and its stakeholders. Her involvement in 'cooking the books' had resulted in hundred millions differences between reported ND actual line-cost expenses as well as between reported and actual income/loss before taxes and minority interests. The action consequently led the company to bankruptcy and other stakeholders such as the employees, the retail customers and the public were significantly affected.

These matters hence proved the seriousness of the wrongdoing thus denies all factors argued for the mitigation of the responsibility. In summary, Vinson

can be considered as a villain as seen morally responsible tort the "rang and hence should be charged on the criminal fraud. \* \* \* Employees are subject to abide the orders from superiors as long as the actions are legal and ethical. Receiving orders to do something they do not believe in or feel uncomfortable doing may indicate that the action is not ethical despite it being legal or not.

The first step that can be taken by employees in resolving such dilemma is consult Ninth the code of ethics for formal guidance. In the World case however, there Newer no written policies for the management practices itself yet the code of ethics.

Therefore, the employees in World had no formal guidance to lead them to ethical decision in abiding or disobeying their superiors such as Sullivan, Myers and fates. Apart from that, the employees might determine themselves the alternative actions are available to them in that situation.

After that, they should weigh up the benefits and costs of the alternatives to themselves as well as to others who might be affected by the action taken. The alternative that produces the greatest benefits then should be chosen. Taking Vinson as example in World case, she should not only consider about her personal matters besides the company's sake, but she also should insider the consequences towards the company's stakeholders before performing the fraud.

However, there is underlying problem in this approach where employees might overweight or underweight some factors.