

# Tycoon

Business



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BUSTER**

It's not Impossible to pay \$2, 200 for a wastebasket and \$6, 000 for a shower curtain. 103 but when you claim them as company expenses, there will eventually be implications. This was precisely the situation that led to the misappropriation of \$600 million that was allegedly stolen from Tycoon and its shareholders, 104 a multinational corporation dealing in Industries from hospital suppliers to fire sprinklers.

105 At the beginning of 2002, it was uncovered that the then-CEO Dennis Kowalski and his associate, SCOFF Mark Swartz, were using the company's funds for inappropriate reposes.

The official company stance on the scandal was reportedly, " Yes, they took the hundreds of millions? but the board let them do it. " 106 In June 2005, Kowalski and Swartz were convicted of conspiracy, fraud, and grand larceny and sentenced to up to 25 years in Jail. 108 Within the organization, morale was low. There was a sense of frustration among employees and when the new CEO, De Breed, stepped in to the top role at Tycoon in July 2002, 1 10 one of his major challenges was changing opinion of the corporation by communicating how the company was changing.

The ore business at Tycoon was strong, so the focus of the change was never mediated by the possibility of bankruptcy.

All in this sense, Breed was fortunate, heading up a corporation with a strong operational and financial basis on which to rebuild the company after the tarnished reputation that Kowalski left behind. In order to change the organization's practices, Breed initiated a turnaround team to modify unethical behavior. 13 The first steps that were taken were symbolic

gestures to show his determination to reinvent the company. Although he never openly mentioned momentum on Kilowatt's past behavior, his immediate replacement of board members spoke louder than words. 114 By the end of 2002, there had been a complete overhaul of the executive team, with every member being replaced.

115 Without delay, Breed also made the move from Taco's Manhattan office to a standard office in New Jersey? his office overlooked a car park instead of Central Park. 16 This symbolized that Breed was serious about changing the company and the leadership style of the past. Through a letter to employees and shareholders, Breed stated that Taco's most important commitment was to reinvent its credibility and integrity. A culture of accountability and good corporate excellence was promoted by the company 17 and a change in the infrastructure of Tycoon was of utmost importance. In order to flourish, it was crucial that the new management team re-create the way in which the organization functioned and the practices that they used.

18 This was reportedly initiated through a push to implement six-sigma training to increase the efficiency and quality of the company's services and products. 119 The dilemma was in how to communicate this change and the company's new ethical stance to the 260,000 employees worldwide.