

business trips, they are expected to know what the rules are, but expense reports too are one step, and sometimes even a few steps, removed from cash. In one study, Nina and I found that not all expenses are alike in terms of people's ability to justify them as business expenses. For example, buying a mug for five dollars for an attractive stranger was clearly out of bounds, but buying the same stranger an eight-dollar drink in a bar was very easy to justify. The difference was not the cost of the item, or the fear of getting caught, but people's ability to justify the item to themselves as a legitimate use of their expense account.

A few more investigations into expense accounts turned up similar rationalizations. In one study, we found that when people give receipts to their administrative assistants to submit, they are then one additional step removed from the dishonest act, and hence more likely to slip in questionable receipts. In another study, we found that businesspeople who live in New York are more likely to consider a gift for their kid as a business expense if they purchased it at the San Francisco airport (or someplace else far from home) than if they had purchased it at the New York airport, or on their way home from the airport. None of this makes logical sense, but when the medium of exchange is nonmonetary, our ability to rationalize increases by leaps and bounds.

I HAD MY own experience with dishonesty a few years ago. Someone broke into my Skype account (very cool online telephone software) and charged my PayPal account (an online payment system) a few hundred dollars for the service.

I don't think the person who did this was a hardened criminal. From a criminal's perspective, breaking into my ac-