



## Ethics and Acquisition

Version 5.1 26 MAR 2025

5.1.3 Ethics and Acquisition

Ind Study, 0.5 HR; In-class, 1.5 HR; TIME: 2 HR

**TOPIC LEARNING OBJECTIVES**

Upon successful completion of this topic, the student will be able to:

1. Understand the relationship between being an ethical and a successful leader.
2. Identify the characteristics of a successful defense acquisition program from a variety of perspectives.
3. Describe various ethical decision making models.
4. Describe the factors, influences and components that are involved in ethical decision making.
5. Identify the steps of the Principled Decision Making Model.
6. Resolve an acquisition related dilemma by prioritizing ethical values and considering how choices impact the welfare of others.

**STUDENT PREPARATION**

Student Support Material

1. DAU Ethics and Leadership video  
[https://media.dau.mil/media/0\\_1kc6s9ge](https://media.dau.mil/media/0_1kc6s9ge)

2. DAU Ethics and Acquisition Case Study

Primary References

1. DOD Employee Guide to Standards of Conduct  
[https://ogc.osd.mil/defense\\_ethics/resource\\_library/employee\\_guide.pdf](https://ogc.osd.mil/defense_ethics/resource_library/employee_guide.pdf)

2. Department of the Navy Office of the General Counsel, Ethics web site: <http://ethics.navy.mil>

3. Making Ethical Decisions. Josephson Institute of Ethics.  
[www.josephsoninstitute.org](http://www.josephsoninstitute.org)

Additional References

1. DoD 5500.7-R, Joint Ethics Regulation (JER)  
<https://www.esd.whs.mil/Portals/54/Documents/DD/issuances/dodm/550007r.pdf?ver=2019-04-03-110847-370>

2. 5 CFR Part 2635 (Standards for Ethical Conduct)  
<https://www.oge.gov/Web/oge.nsf/Resources/5+C.F.R.+Part+2635:+Standards+of+ethical+conduct+for+employees+of+the+executive+branch>



# Overview

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- Ethics and Successful Leadership
- Ethical Decision Making
- Acquisition Program Success
- Acquisition Case Study



# Case Study – Cheese and Wine?

- A front-running, nuclear-power trained, combat-seasoned naval aviator was in command of his deep draft ship on a summer Mediterranean Sea deployment. He had screened for nuclear powered aircraft carrier (CVN) command. The ship's supply officer (Suppo) was a supply community front-runner whom the CO highly respected. On the first day in port, Suppo informed the CO that an executive from a foreign vending company would like to meet with him.
- The CO met the vending executive in his cabin and they had a very warm discussion including how the CO and his wife had vacationed in this foreign nation on three occasions and loved the country. As the vending executive was about to depart, he asked the CO if he liked olive oil, cheese and wine. The CO replied that he loved those things but that Navy regulations forbade him from accepting such gifts. The foreigner winked and said, "They would be gifts for your wife." The CO discussed the issue with the Suppo who informed him that it was customary for commanding officers of Supply ships to accept these gifts. After all, the CO was not the person who signed the contract for the supplies. The Suppo also suggested that refusal of the gesture would be an insult to foreign country culture.
- The next morning, the Officer of the Deck informed the Suppo that the Captain had several items waiting for him at the Quarterdeck. The Suppo had the watch deliver a large tin of olive oil, a large round of cheese, and a case of wine to the Captain's in-port cabin.



# Case Study – Cheese and Wine?

- When the CO saw the items, he intended to return them with a note of thanks. He discussed this with the Suppo and they decided it was best to wait until the last day in port. The CO considered consulting the JAG but did not. The ship was busy with a litany of events preparing USS Supply Ship to get underway and the CO failed to return the gifts and note. The Suppo did not remind the CO about the gifts or follow-up with any action of his own to return the gifts on behalf of the CO. The gifts became the subject of some light-hearted ribbing in the officer's mess. The gifts remained onboard USS Supply Ship for the duration of the deployment. The CO thought about them once or twice and resolved that he would get rid of them when he returned to Norfolk. On return from deployment, the CO took the gifts home.
- Two weeks after returning to home port, the ship received a COMFLT inquiry surrounding the incident. The foreign vendor had become the subject of an investigation when foreign nation authorities received complaints of U.S. Navy favoritism. COMFLT initiated an inquiry that lead to the discovery of the widespread practice of gift giving. COMFLT Legal deposed the CO, Suppo, and several other officers onboard USS Supply Ship to determine if any wrongdoing had occurred.
- The Commanding Officer of USS Supply Ship received a Letter of Reprimand from COMFLT and did not get command of a CVN.



# Senior Official Misconduct Breakdown\*

## Types of Substantiated Senior Official Misconduct Allegations (Same as previous)

Allegation Type	Number of Allegations by Fiscal Year					
	2013	2014	2015	2016	2017	Total
Personal Misconduct/Ethical Violations	86	56	35	56	44	<b>277</b>
Personnel Matters	29	32	30	18	24	<b>133</b>
Government Resources	18	15	12	15	6	<b>66</b>
Travel Violations	21	14	14	6	1	<b>56</b>
Other	13	12	9	16	8	<b>58</b>
<b>Total Allegations Substantiated</b>	<b>167</b>	<b>129</b>	<b>100</b>	<b>111</b>	<b>83</b>	<b>590</b>

**Personal misconduct/Ethical Violations:** Inappropriate relationships, treating employees with a lack of dignity and respect, misuse of subordinate's time, improper endorsement of NFE (such as using official position and title improperly)

**Improper Personnel Matters:** Improper hiring actions, prohibited personnel practices, harassment and discrimination

**Misuse of Government Resources:** Misuse of government vehicle, supplies or facilities

**Travel Violations:** Official travel for personal reasons, improper use of MILAIR or spousal travel, improper upgrades on commercial flights, reimbursement hotels above per diem without authorization, preferential airline or hotels to accrue reward points

**Other:** Improper procurement or security violations

\*Based on a 2017 DoD IG Senior Leader Misconduct Report



# Causal Factors

- Significant failures acknowledged by officers removed from command or position fell into the following 9 categories
  - Failure to consider consequences of behavior
  - Miscalculation of the degree of privacy they enjoyed
  - Abuse of alcohol
  - Failure to maintain stature as a Commanding Officer
  - Temptation factors (family situation, deployment mentality, etc.)
  - Poor liberty protocols/lack of Operation Risk Management
  - Lack of moral compass
  - Unique temptation factors by virtue of their position and the opportunities it afforded (they became more attractive as they climbed the ladder)
  - Miscalculation of the intent of the “other woman” or “other man”



# Relationship Between Being an Ethical and Successful Leader

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- Discussion on DAU video by Dr. Joanne Ciulla
- Why is it difficult being ethical?
- Difference between being a good leader and being an ethical leader?
  - What are traits of a good leader?
- Three kinds of questions to ask when making a decision:
  - Am I (Are we) doing the right thing?
  - Am I (Are we) doing it the right way?
  - Am I (Are we) doing it for the right reason?



# Effective Leader

- Charismatic
  - Superior orator who improved the self-esteem of people
    - By denigrating minorities and foreigners
- Transformational
  - Reduced unemployment
    - By forcing women and minorities out of jobs and offering them to selected men
  - Inspired scientific and industrial innovation in rockets, highway design, and aviation
    - To rebuild his nation's military despite international sanctions
- Self-Started
  - Rose from humble origin to national power through grass roots organizations that won a majority in the legislature
    - And then assumed dictatorial power and arrested his opponents
- Started World War II



# Ethical

- A law firm with offices in the Twin Towers was fortunate to avoid any casualties to its personal during the 9/11 attacks. The next day, 9/12, the head partner for the firm rented new office space, 600 desks and computers to get his operation up and running the same week.
  - Was this an ethical decision?
- What if the head partner's motivation was....
  - "This attack is a prime opportunity to increase business and achieve our corporate objectives. Our people are top notch and well paid, so let's get to work!"
- What if the head partner's motivation was...
  - "Our services are critical to this city and our clients need our support during this time of crisis. My people need a task to focus their time and talents and feel a sense of accomplishment. Part of the office space is set up as a lounge with grief counselors available to support my employees."



# Successful Leaders

	<b>Positive/Benefit</b>	<b>Negative/Disadvantage</b>
Personal Level	<b><u>Privileged Access</u></b> Position Influence Status Rewards/Perks Access Freedom/Latitude	<b><u>Inflated Belief In Personal Ability</u></b> Unbalanced personal Life Inflated Ego Isolation Stress Emptiness Fear of Failure
Organizational Level	<b><u>Control of Resources</u></b> No Direct Supervision Ability to influence Set the Agenda Control Decisions	<b><u>Loss of Strategic Focus</u></b> Autopilot Delegation w/out Supv Complacency Neglect of Strategy



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# A Dilemma

- In Class Exercise

- You are working in a Program Office. A friend of yours on the OPNAV Staff calls informally/off the record to obtain impacts on a 30 percent cut in RDT&E funds for your program in the next FY. You ask if you can inform your PM and your friend says no and adds that he should not even be telling you.
  - What do you do?





# Ethical Decision Making

- Everyone makes job-related decisions
- Importance and ethical relevance varies for each
- “Easy” decisions
  - No ethical ramifications
  - Direct application of ethics rules
- Complex/Gray area decisions
  - Requires in-depth ethical analysis





# Ethical Decision Making Models

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- **Treat others the way you want to be treated yourself**
  - The Golden Rule
- How about this:
  - Someone makes an overt romantic gesture toward someone that isn't interested in it, simply because the person making the gesture wishes that someone would do the same for them
- Shortcoming: The Golden Rule suggests that others would like to be treated the same way you would like to be treated, which is not necessarily true



# Ethical Decision Making Models

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- Scenario – Is it OK?
  - A man lies to his wife about having coffee with a work colleague when he was actually having a beer with his old high school sweetheart
  - A young child is rescued from a plane crash in a very weakened state. His parents have been killed in the crash but he is unaware of this. He asks about his parents and the attending physician says they are O.K. He intends to tell the truth once the child is stronger
- Kant's Absolute Moral Philosophy
  - Ethical values and principles always take precedence over unethical ones
  - There is a perfect duty to tell the truth, we must never lie, even if it seems that lying would bring about better consequences than telling the truth
  - Shortcoming: No way to choose between ethical values – all should be followed



# Ethical Decision Making Models

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- Scenario – Is it acceptable?
  - In November of 1962, during the Cuban Missile crisis, President Kennedy gave a conference. When asked whether he had discussed any matters other than Cuban missiles with the Soviets he absolutely denied it. In fact, he had promised that the United States would remove missiles from Turkey
- Consequentialism/Utilitarianism
  - It is ethically proper to violate an ethical principle (lying) only when it is clearly necessary to advance another true ethical principle which, according to the decision maker's conscience (gain political capital), will produce the greatest balance of good in the long run (end the crisis)
  - Shortcoming: Can be manipulated to produce an end-justifies-the means-credo. Treat ethical and non-ethical decisions the same



# Ethical Decision Making Models

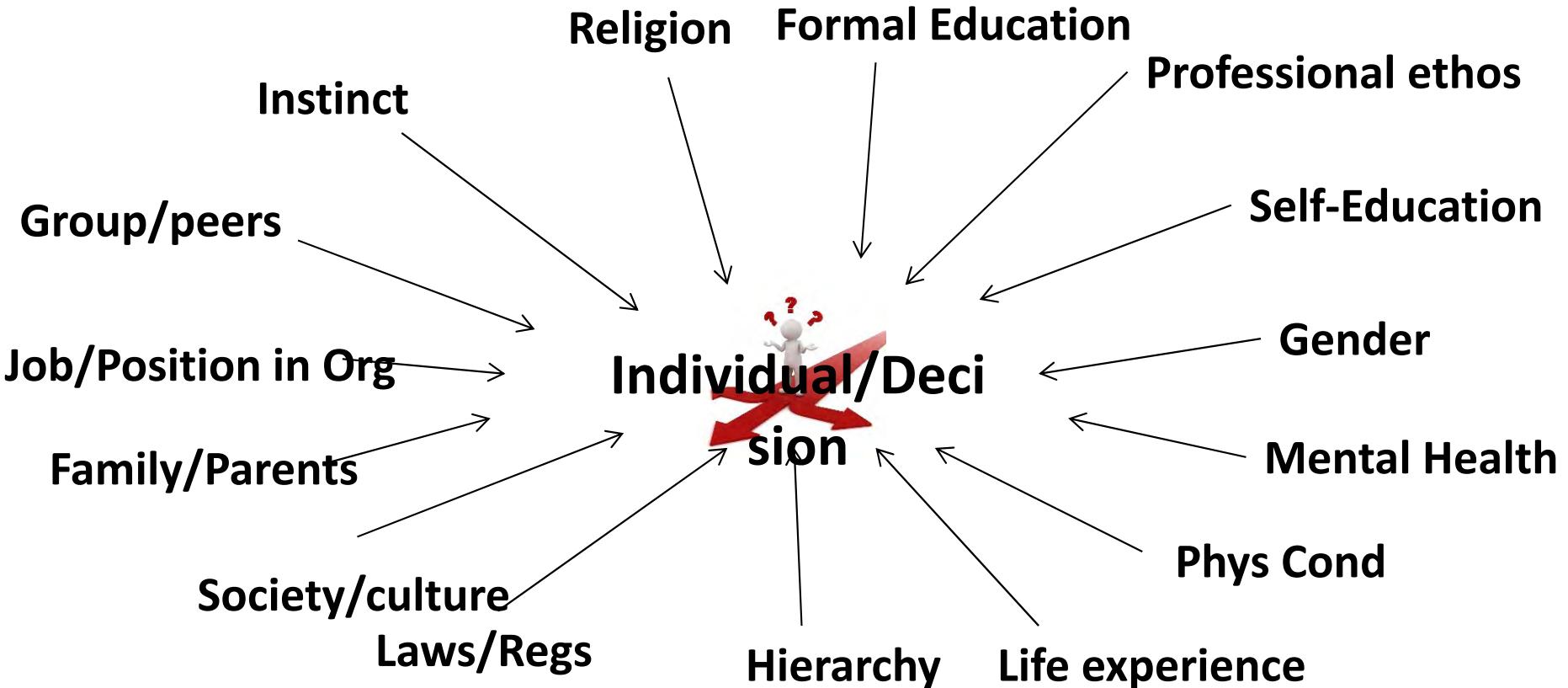
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- Scenario –
  - After Air Florida Flight 90 crashed into the Potomac River, the remaining passengers clung to the plane's tail in 30-degree water
  - When a helicopter from the National Park Service dropped a line to the survivors, Arland Williams, in better shape than the rest, helped each person, in turn, to attach. They were then towed to safety, one at a time
  - When it was finally Williams's chance to reach safety, the helicopter returned to find he was no longer there, succumbing to the water's freezing temperatures
- Altruism - behavior motivated by the goal of increasing someone else's welfare
- Shortcoming: Not great in complex network of stakeholders with conflicting interests (welfare). No guidance on how to choose among them



# Ethical Decision Making

## Influences





# Principled Decision Making Model

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- Understanding the different ethical decision making models, pros/cons
- Following a structured seven-step process to making an ethical decision
- Applying the **Six Pillars of Character** to selecting options for the decision
- Assessing the effectiveness of the decision



# Principled Decision Making Model – Six Pillars of Character

- Give precedence to ethical values over non-ethical values
  1. Trustworthiness
  2. Respect
  3. Responsibility
  4. Justice/Fairness
  5. Caring
  6. Civic Virtue and Citizenship





# Decision Making “Tests”

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- Washington Post Test
  - Would you want your family to read about your decision in the paper? What would the public think of your decision?
- Generalization Test
  - Would you want your decision to become precedent for all people faced with a similar situation?
- Mirror Test
  - Can you live with yourself?



# Principled Decision Making Model – Seven Steps to Better Decisions

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1. Stop and think
  - Put some time and space before the decision
2. Clarify goals
  - Balance short term and long term aims
3. Determine facts
  - What do you know? What do you need to know?
4. Develop options
  - Share options with someone you trust
5. Consider consequences
  - Assess your options in the framework of the six pillars of character
  - Identify impact on stakeholders
6. Choose
  - Frame your choice: Washington Post, generalization, mirror test
7. Monitor & modify
  - Re-assess and make a new decision if you can or if needed



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# Definition(s) of Success



Major Program Manager (MPM)



Contractor



User



Congress



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# Acquisition Case Study

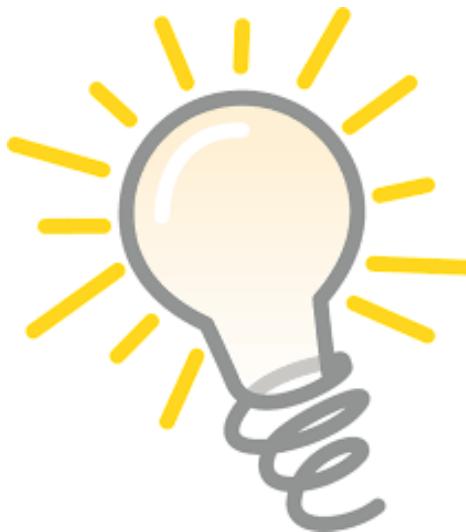
- Weapon System acquisition program cost, schedule & performance issues
- Key players:
  - Rear Admiral Goodguy – PEO
  - Captain Wantit – Program Manager
  - Mogul Systems – Prime Contractor
  - Representative Allen – HASC Chairman/District representative
  - Barbara Leake – Mogul Systems manager/longtime acquaintance of PM
- What is Captain Wantit's ethical dilemma?
- Use the Principled Decision Making Model to propose a course of action for Captain Wantit to take
  - Include how you considered the six pillars of character



# A Dilemma revisited...

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- Back to the 30% RDT&E cut to your program
- Does your original decision change after considering the various ethical decision making models and influences?





# Summary

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- What we are (Naval leaders) is the most important component to our Navy
- The most significant threat to your career is your personal environment
- We must treat our personal and social threats with the same respect we treat our operational threats
- We must develop, enhance, and sustain our own character and integrity then develop, enhance, and sustain the character and integrity of our people



# Summary

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- What are the characteristics of a successful acquisition program?
  - Meets the needs of the constituents and is appropriate
    - Congress
  - Is profitable
    - Contractor
  - On time and within budget
    - Program Manager
  - Performs as designed (suitable and effective)
    - Warfighter
- Describe various ethical decision making models
  - Do unto others
    - Golden Rule
  - What produces the best outcome for all
    - Utilitarianism
  - There is only one right thing to do
    - Kant



# Summary

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- Determine the influences/components of ethical decision making
  - Instinct
  - Religion
  - Education
  - Gender
  - Life experience
  - Mental health
  - Society
  - Family
  - Job/Position
  - Physical condition
  - Hierarchy
  - Laws/Regs
  - Peers
  - Professional ethos
- Identify the steps of the principled decision making model
  1. Stop and think
  2. Clarify goals
  3. Determine facts
  4. Develop options
  5. Consider consequences
  6. Choose
  7. Monitor & modify