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Chris and Alison Weston (A)

Chris and Alison Weston, a successful, well-educated and ambitious couple, ended up respectively serving 20 and 18 months in prison for mail fraud. This outcome, which shocked their friends and community, also came as a surprise to the Westons themselves, since they never thought of the decisions that led to their sentence as criminal acts. The story that follows is told in their own words, though certain identifying features have been changed to protect their privacy.

Chris: I was very career-driven, focused on expanding the scope of my role and job. I identified strongly with what I did for a living. I was also just a regular guy from a small town, who liked to have fun with my family and my friends, play golf, and go to football games. I saw someone recently whom I'd known as a kid, and told them about what I went through. His first comment was, "Wow, I didn't see that one coming." It just didn't fit for anybody that knew me.

In 2002 Chris was recruited for the most senior position he'd had to date, at a large and growing privately held company in the Southwest. The Westons moved from Philadelphia to Phoenix so Chris could take the job.

Chris: They wanted a really entrepreneurial person with big company experience, and a strong labor relations background. I had responsibility for all human resources functions as well as all support services—procurement, IT, facility services, and security. I was being paid a lot of money. It was a big, big job.

One of the biggest sore thumbs going into this situation was the sheer number of openings in the organization. We couldn't get enough people in the door to run the plants, or enough good qualified technical people into the organization. There was a huge amount of pressure to get people into the company, into the right positions, through the process. That was what I walked into in terms of my responsibility; one of the first things I had to get to. Things are rocking and rolling. I'm rarely home, very busy, and this staffing thing has got my goat. I'm trying to garner a lot of resources around it, which leads me to ask my wife to help.

Professor Sandra J. Sucher and Visiting Scholar Celia Moore prepared this case. Certain details have been disguised. HBS cases are developed solely as the basis for class discussion. Cases are not intended to serve as endorsements, sources of primary data, or illustrations of effective or ineffective management.

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Chris's wife Alison was a successful professional in her own right, but the demands of Chris's career had deferred some of Alison's professional aspirations while Chris was pursuing ever more senior roles. However, she had experience in staffing and recruitment, and the combination of Chris's need for help and Alison's desire to resume her professional life appeared to dovetail perfectly.

Chris: I had guilt from moving the family around so much over my career, and Alison had to walk away from some things that she really liked a few times, because I was trying to be the big corporate guy. I was feeling that I needed to do whatever I could to help her feel like she's involved. So when I started this new position, I thought, "Here's an opportunity for Alison to start a staffing business again, and I can give her some immediate work."

This was also in the context of all the chaos in my job. I was burned out right away. It was so stressful that I was already thinking about an exit plan. I always wanted to have my own business. I guess in my own mind I was thinking that if Alison can get something started, maybe at some point I can get out and get into her company myself. That's where the gears were turning with her getting involved in doing this.

The company itself was very much based in free-market ideology. Individuals were encouraged to use resources entrepreneurially within the organization, which meant that I had broad authority to use whatever vendors I needed to get the job done. The objective was get the positions filled, because they were affecting our ability to make a profit in this organization. The environment was: "get it done". So, that was the backdrop. It was a perfect storm for me, having grown my career and gotten into this mindset that I was in power, the need to get stuff done, and the sense that it was a temporary situation. I was in control. I was able to manage things. And, it wasn't going to go on forever.

So Chris asked Alison to help with the company's needs by setting up a business that would provide research services identifying potential candidates to fill the large volume of open positions the company urgently needed to fill to manage its growth.

Alison: Chris came home. There was nothing unusual. And, as he shared his thoughts about their culture and about the workload of the biggest job he'd had, he said, "I need help." Chris did need help, and I agreed to help him. We opened up a business, "Staffing Resources" in my maiden name. I went down to the Secretary of State, filed the required documents to open up the business, got a P.O. Box and a bank account. This was, for all intents and purposes, going to help Chris, and his company.

This is truly where the record should have stopped. But often we hear the words 'conflict of interest' and we don't think much of it. And Chris had the authority to hire all of the resources he needed to get the job done.

Chris: There was not a specific written policy at that time that said if you contract with a family member you have to get special approval. In any case, I actually managed the administration of the conflict of interest and ethics policies. If anything came up, I thought I'd just manage it.

Chris now describes his suggestion that Alison open up the company under her maiden name as part of his "irrationale" for his actions. However, at the time, it seemed a reasonable and acceptable way to manage potentially uncomfortable situations that he felt nonetheless were not that problematic.

Chris: I was using probably seven or ten different firms that were doing the same thing she was doing, identifying possible candidates for all the open positions at the firm at the time. I was in a new organization

and I thought, "You know, I'm in a big job. I've got control over a lot of stuff. We're going to get this job done. I'm going to get it done however I can. I'm going to let my wife get engaged in the process." The fact that she opened this company in her maiden name was driven from the perspective of, "I don't want the exposure early in my job of anybody asking any questions about me using my wife's company to do work." Besides, there were others in the organization using family members for outside services, so I saw that others were doing it, and of course, it was a family-run business. So I told myself it was OK.

Though to the best of my knowledge and memory there was nothing that said I had to let anyone know that my wife was providing these services, I think I knew deep down in my conscience that I should not have been secretive about her being involved. And there were a couple of times in the first six to twelve months where I said to myself, "Maybe you ought to go tell somebody that your wife is doing this." But I didn't want to raise any questions with my peers or bosses at that time. I wanted to be able to allow my wife to do this business, and hopefully build it into something bigger.

Though personally the Westons were financially secure, the extra money came to be viewed as deserved remuneration for the other sacrifices the corporation was requiring of Chris. Over time, Alison started doing less and less work for each invoice she was remitting to the company.

Alison: If he said, "Check on this," or we were going over human resources plans, or something outside of general research, in my head, those were some of the things that were justifying the cost. That's part and parcel of the wishy-washyness of what transpired. I didn't think a lot of it. If he said work was done, work was done. If he put in the invoice, so be it for me. I got him some candidates, did a little bit of research, but the rest, unfortunately, is the reason we ended up in jail.

In my heart, deep down, I think this fed into my need to have an established title and role of importance other than Mom. And I think, back then, I thought, "I'll just help Chris get this business, work it, do whatever he needs."

Chris: I was making over a couple hundred thousand a year with bonuses and incentives. There was no huge financial impetus for me to go steal money. It was so much more subtle. Alison says it well: "It comes in the back door." In several cases companies had asked me to do things that required tremendous sacrifices on the part of my family. I also had some experiences where I didn't feel like the return back to me from the company was appropriate. Being taken for granted, or being passed over for a big promotion when I had done all this work and made all of these personal sacrifices. I had a bit of anger inside with the big corporate machine. I think there was a sense of entitlement on my part as well. I told myself, "I deserve this option to allow my wife to do this work."

If it was as simple as I purposefully found this job with this big company because I knew I could go and steal a whole bunch of money, and then hide the money in Switzerland, it would be easy to describe. But it was the exact opposite of all of that. There was no intent, initially, and then it slid, over the first year, into a situation where we started invoicing for more work than was actually being done.

The Westons began to overbill for Alison's services more regularly. In addition to his other reasons, Chris also felt that his actions were justified by the company's culture. He was exposed to a variety of questionable practices at the leadership level, along with specific actions he knew were unethical and illegal. Being in a culture that didn't model high ethical standards made it easier for Chris to rationalize his own behavior.

Chris: Part of my job was to terminate people who were disputing compliance issues, or who were seen as bad players in the company who weren't supportive of the company's efforts. One time I was discussing with several of my superiors a worker's compensation settlement that was to go to the family of an employee who had died, having been exposed to cancer-causing chemicals over his career. It was sad. I remember them joking and laughing about the value of the deceased employee and employees in general. One of the top executives claimed that this guy was "not even worth \$100,000; maybe \$50,000. That's as high as I want you to go." I had to sit with the employee's widow and daughter an hour later with that conversation fresh in my mind. That was the culture I walked into.

They were known in particular for breaking a lot of state and federal employment and safety regulations. There was some very significant litigation going on with the company early in my first year. I was quietly advised to watch what I said on the phone and to get rid of documents that were not necessary.

My inappropriate behavior didn't seem that bad by comparison. You know? It almost seemed like, "Oh, OK. These guys screw everybody and their mother, and I'm doing all this crap for you guys, so the least you could do for me is allow me to have this situation in place, and I'll decide what the value of it is because I've got all the discretion in my job to do that anyway. The power orientation I had at the time is something I see a lot of executives exhibit when I see them on the news. "I'm the man, I can make these calls. It's under my jurisdiction."

The money that was distributed to Alison was a very, very minor part of my job. And it was, in my mind, providing value. My budgets and expenses, which included Alison's work, had been approved by several levels above me – year in and year out. All my costs were well within budget. And I wasn't the only person approving these invoices. At that point, the situation I was in was very easy to rationalize.

Alison: For Chris, pushing the "enter" button on the computer to approve an invoice every few months seemed minor compared to the proverbial fire hose in his mouth of all these other situations throughout the company with his job. He was virtually a one-man show. He came in and did a lot of good, from putting in better HR systems, getting labor relations to be at least somewhat amicable, introducing major cost savings and innovative programs, all very good things.

Crossing the line was also made easier for the Westons because each individual step they made towards it was comparatively small.

Chris: I did not go home one night and say, "Hey, Alison, I've got this really sneaky way that we can rip this company off, and here's how we do it." When I think about this now, I think, "What an idiot." It doesn't make sense now, but at the time it made sense. It is what had evolved. People who hear my story now say, "Boy that was stupid. Why did you do that?" And I say, "Well, if I look back at it today, from the seat I'm in now, I go, 'Yeah, that was stupid.' But it's highly situational; if you put yourself in my position, in those circumstances, at that moment in time, you may have done the same thing." As it progresses, it's kind of like a snowball going down a hill catching more momentum and weight. It's harder and harder to back out of it the more it goes down.

Alison and I used to take walks all the time. She would even ask me, "Are you sure this is OK? Are you sure we aren't going to get in any big trouble, because I'm not doing as much work or didn't do any work this quarter and got paid?" And I'd reassure her, "It's OK, if anything comes up, I'll deal with it. I can

manage it, don't worry about it." And she would raise her hand a lot and say, "Come on now, seriously, you think this is OK?" "Yeah, it's OK, Alison; don't worry about it."

Alison: I wish Chris had come home and said, "I want to steal \$1,600,200," because I would have said, "Absolutely not." But it just doesn't work that way. Those little small decisions, every single one, can either lead you towards the path you want, or further away. It's really recognizing the smaller, seemingly insignificant acts and identifying them that allows you to stay on the right path.

But I allowed that kind of stuff to go on, because when I did raise my hand, I raised it to Chris. You're trusting someone to give you an accurate reflection of your behavior, but that wasn't happening with us, on either side. We were distorted mirrors for each other. If you're going to have an accountability partner, and it's really just someone who tells you what you want to hear, it's not a true portrayal of reality, and that's what I think led us down this horrific path.

Until I actually saw the federal civil suit on my doorstep, it just wasn't on the radar that we were doing something "illegal" that would mean I was going to go to prison. What I did think is that he could lose his job. That was as far as my scope went at the time.

In 2006, leadership changes gave Chris an opportunity to leave the company. He voluntarily left his job with a six-figure severance package, and the couple started a consulting and staffing business, which had been their long-term objective for many years. Their business grew quickly, and they soon had a number of new employees and clients.

Six months later, Chris received a call from a law firm with whom he had worked closely during his years at his former employer.. Chris's optimistic first thought was that the firm needed some help with staffing, and they were calling to engage the Westons as a vendor. Instead, Chris was informed that he was being sued in federal civil court for more than a million dollars. Their next three years were wholly occupied with legal wrangling with both a civil and then a criminal investigation. Ultimately it led to more than a year in jail for each of them.