

THE BORROWED TOOLS

XYZ Corporation permits its employees to borrow company tools. Engineer Al House took full advantage of this privilege. He went one step further and ordered tools for his unit that would be useful for his home building projects even though they were of no significant use to his unit at XYZ. Engineer Michael Green had suspected for some time that Al was ordering tools for personal rather than company use, but he had no unambiguous evidence until he overheard a revealing conversation between Al and Bob Deal, a contract salesman from whom Al frequently purchased tools.

Michael was reluctant to directly confront Al. They had never gotten along well, and Al was a senior engineer who wielded a great deal of power over Michael in their unit. Michael was also reluctant to discuss the matter with the chief engineer of their unit, in whom he had little confidence or trust.

Eventually Michael decided to talk with the Contract Procurement Agent, whose immediate response was, "This really stinks." The Contract Procurement Agent agreed not to reveal that Michael had talked with him. He then called the chief engineer, indicating only that a reliable source had informed him about Al House's inappropriate purchases. In turn, the chief engineer confronted Al. Finally, Al House directly confronted each of the engineers in his unit he thought might have "ratted" on him. When Al questioned Michael, Michael denied any knowledge of what took place.

Later Michael explained to his wife, "I was forced to lie. I told Al, 'I don't know anything about this'."

Discuss the ethical issues this case raises.

[Prepared with James Jaksa.]

COMMENTARIES

W. Gale Cutler

In the publication "Common Sense and Everyday Ethics" (American Viewpoint, Inc., 1980) there is an interesting quote:

There is no such animal as an absolutely honest human being, and there is no perfect society. For whatever reasons, however, it does seem that it is the compelling destiny of man to seek survival. In the process of trying to survive under increasingly complicated demands and responsibilities, both individual man and society as a whole must strive toward perfection or slide toward destruction.

In this case Al cheats his company by ordering tools for his own use, Michael fears Al's management power over him and takes a devious route to disclose Al's dishonesty rather than confronting Al directly, and then he lies about having disclosed Al's dishonesty.

Lying (a lie is a false statement or action made with the intent to deceive) is an omnipresent social disease that may be endured in mild forms, but at advanced and epidemic stages can erupt to destroy the foundations of a free society. Today many people do not consider lying dishonest!! To them the threshold of dishonesty begins with stealing. A significant number do not even consider stealing very dishonest, may not at all when one steals

from big businesses (a large manufacturing plant, a major insurance company, a utility, etc.). Some people feel so impersonally toward big business that they do not think of a big corporation as having any particular ownership.

The government doesn't fare any better. The honor system of paying one's proper taxes is now eroding. Unreported earnings from cash income taken in by various industries, services and individuals have been estimated at several hundred billion dollars annually. This type of lying isn't just a harmless social habit that can be tolerated ethically and morally--it's a decline in society's honesty.

People will claim that they lie because they do not wish to hurt someone by telling the truth. The inescapable conclusion of this type of thinking is that it is all right to lie anytime it will benefit oneself or one's friend. What if everyone used this standard? Sooner or later you wouldn't be able to trust anyone.

Doubtless there may be times when it might seem preferable to lie rather than not lie, but if an individual must lie to save his job, then he is working for the wrong person in the wrong place.

In this case, Al is clearly committing a wrong act in ordering tools for his own use and, when found out, should be severely reprimanded or discharged. Michael should either confront Al directly or when accused by Al of "ratting" say clearly that he did "rat." If Michael has to live a lie to preserve his job, he is working for the wrong person and the wrong company. Even if Michael lies to Al, it is probably inevitable that Al will find out who told on him. Rather than live in dread of this, Michael should face up to Al when asked if he "ratted" and hope that management will back him in disclosing Al's wrongdoing. If management doesn't, Michael will simply have learned that he is working for the wrong person and the wrong company.

John B. Dilworth

This is an interesting case because it brings out the almost hypnotic (and, I shall argue, in this case myopically misdirected) power of some moral concerns about lying. Conventional wisdom assumes that there is something morally problematic about Michael's decision to lie when confronted by Al House.

But such a view fails to look at the full moral context of cases such as the present one. This is a case where illegal activity by a person (Al House) has been discovered. Knowing that he has been discovered, the criminal perpetrator is clearly in a malicious, destructive frame of mind, and is determined to 'get' whoever 'ratted' on him. This is the moral framework in terms of which Michael's decision to lie must be judged. Hence the real moral issues here are those concerning malicious questioning, rather than any concerning false answering.

Any other view of the matter amounts to a form of the familiar 'blame the victim' syndrome. (For example, in many cases of wife-beating and rape the woman ends up getting blamed as much, or even more so, than the male criminal.) Criminals rip apart the fabric of civilized life, directly or indirectly harming and twisting the actions of everyone involved.

It is all too easy to artificially abstract elements from such a situation and draw up a kind of 'laundry list' of morally problematic actions, which makes it look as if the victims of the situation (including those who give evidence to the proper authorities, or have to handle confrontations with the criminal) bear some kind of moral guilt comparable to that of the perpetrator(s). We must resist this temptation to indulge in abstract theorizing disconnected from the realities of actual situations.

This is not to say that victimized people are free to do anything whatsoever to cope with their traumatic

situations. But it is to say that their actions must be judged in the specific context of the real and potential actions of the criminal(s) involved.

In the present case, there are two aspects of Al's malicious questioning which are relevant to deciding that it is perfectly legitimate in this case for Michael to lie to Al. First, Al has no right to know who reported him. As a general matter of business policy, those reporting problems or abuses are entitled to confidentiality, and they should especially be protected from those who caused the abuses. Hence Michael is under no obligation whatsoever to tell Al that it was he, Michael, who reported Al.

It might be thought then that Michael should simply refuse to tell Al whether he, Michael, had reported Al or not. But in this special case, a refusal to supply information would itself amount to a giving of the same information. This is for the obvious reason that Al would instantly guess why Michael was refusing to directly admit or deny that he was the informant, namely because he really was the informant!

Thus in this special case, lying is justified as the only effective method for withholding information, which information one has every right to withhold.

So far we have made no use of the fact that Al's questioning is done with malice in mind. This provides us with a second, independent line of defence of lying as a defensive strategy against malicious questioning. Even those who generally criticize lying as wrong in principle are likely to admit some cases when it is justified, such as for instance to protect innocent life. In the case of a murderer demanding that you tell him the whereabouts of his next victim, lying may even be morally obligatory. But if we concede this, then should we not also concede a group of related cases, in which other kinds of malicious questioning are involved, including the present case? If someone clearly intends to cause some harm to someone, if told the truth, is it not at least morally permissible (even if not obligatory) to lie to prevent the harm from occurring?

Here again it is tempting to treat the lying in abstraction from the actual situation, such as in a claim that Michael's lying is morally problematic because he has self-interested reasons for doing it. But in the context of malicious questioning, all that matters is whether someone is likely to get hurt in some way unless one lies. Surely we have a moral duty to prevent harm to innocent people, even if it is we ourselves who are those innocent people. So in a case such as this it is simply irrelevant whether the lying also serves self-interest.

Finally, a few words on the amount and severity of the harm that someone might be subjected to, who did not lie in the given situation. It is easy to assume that only embarrassment and 'bad feeling' would result from telling the truth. But the harsh truth is that in the real world, anyone caught doing something illegal or seriously compromising is liable to behave in vicious, unpredictable ways towards their accusers. Long-term revenge plots are a fact of life in our culture also. Hence victims are fully justified in misleading such criminals as necessary.

Joseph Ellin

Like many engineers written up in ethics cases, Michael Green spends some of his time listening in on other people's conversations. These informal investigations never prove fruitless; Michael learns that Al House is abusing his company privilege of borrowing tools.

Al is far senior to Mike and Mike won't confront him directly. So he does the right thing and reports the abuse to proper authority. Al is not impressed by Mike's loyalty to the company and decides to determine who the stoolie is. He asks everybody directly which one 'ratted' on him.

Obviously XYZ company has walked into this by allowing Al to cross examine his subordinates. Evidently XYZ is not able to deal effectively with this abuse of policy. Al's boss should have made it clear to Al that the identity of the person who 'ratted' was confidential company information that he was not to attempt to find out; presumably Al is in enough hot water already not to want to disobey this order. And the other engineers in Al's unit should have been notified not to cooperate with Al if he should try to question them.

Is XYZ company really interested in preventing abuse of privileges? If they are, Michael would seem pretty secure in simply admitting to Al that it was he who turned him in. What can Al do about it, since presumably Michael is protected by Al's superiors? Any retaliation Al takes against Michael can be reported, and Al gets into deeper trouble. But if this seems too risky to Michael, he can refuse to answer, telling Al that he doesn't think it's an appropriate question to be put to a fellow engineer (which it isn't). Al can draw his own conclusions, but since he's clever enough to figure out that one of the other engineers in the unit might have turned him in and then lied about it, Michael's refusal to answer might not only protect Mike from Al's retaliation but might earn him a couple of points in Al's mind as someone who can't be easily intimidated. Meanwhile Michael should report Al's attempt at intimidation and make it clear that he expects XYZ to protect him if Al should retaliate. Michael is actually in the stronger position here and should make use of his advantage.

Instead, Michael lies to Al. There are cases in which lying is the only way out, but this doesn't seem to be one of them.

C.E. Harris

Lying is not always wrong. If a deranged person wielding a knife asks me where Johnny is, indicating his intention to kill Johnny, I have every right (even an obligation) to lie to the deranged person. Lying to protect an innocent person is often morally permissible. The present case, however, is not a paradigm case of lying to protect the innocent, because the motive of self-interest is present. Furthermore, there might be a value to the company and an intrinsic moral value in setting an example of one who is willing to publicly take the responsibility for preventing the continuation of an action that seems clearly wrong. There is a virtue in publicly facing up to wrongdoing.

Many companies have established procedures for reporting wrongdoing that allow the reporter to remain anonymous. If Michael's company had such a system and he had used it, he might have still felt that he should have had the courage to confront Al, but he probably would have felt much more comfortable about remaining anonymous. This is because anonymity would have been accepted as a legitimate aspect of reporting wrongdoing. However, Michael would still have been forced to lie to preserve his anonymity.

We have two basic approaches, then, to resolving the dilemma that Michael faces. One approach is to report Al's wrongdoing but to remain anonymous, even at the cost of lying. This solution of the problem has the virtue of both stopping the wrongdoing and protecting an innocent person, namely himself, from unjust retribution. The disadvantage is that this approach involves telling a lie. The other approach, confronting Al openly, has the advantage of avoiding the lie and exhibiting the virtue of open confrontation of wrongdoing, but the disadvantage of jeopardizing Michael's position in the company.

There are at least four crucial factual questions in this problem. First, Michael should attempt to assess just how severe Al's retribution against him might be. Would Michael lose his job or forego any further advancement? Could Michael get assurance that he will be protected against Al's recrimination? Second, Michael should attempt to assess how much sense of guilt or self-recrimination he would undergo if he lies to Al. He might feel that he has been cowardly in not confronting Al "like a man," even if he can justify the action morally. Third,

Michael should attempt to assess the likelihood of Al's finding out that Michael informed the Contract Procurement Agent of his wrongdoing. If Al is likely to find out about Michael's action anyhow, then Michael might as well inform Al himself. The answers to these factual questions would probably be decisive in determining which of the two alternatives outlined above is most desirable.

Neil R. Luebke

The main issue in "Borrowed Tools" is internal whistleblowing. As I see it, the nasty turn this case takes near the end is not so much a result of something that Michael did but, rather, a result of the actions of the contract procurement agent.

Let us first look at this situation from the point of view of the XYZ Corporation. Al House is certainly abusing XYZ's generous policy concerning the borrowing of company tools. Assuming these tools could not be used for any company project but are rather used only for his personal ends, if confronted by an officer of the corporation such as the contract procurement agent, Al would have a great deal of difficulty in explaining his orders. We do not know how widespread in the corporation is the kind of abuse that Al engages in. Al himself seems to have little reluctance in allowing other people to know of his activities. Apparently Bob Deal, the contract salesman, knows about it. Al's confronting the other engineers he works with suggests that they are also in a position to know about his activities. The chief engineer of the unit and the contract procurement agent, however, seem not to know. We do not know the dollar value of Al's orders over the period of time, but we can assume that by now they probably total several hundred dollars. There is no doubt Al is using company resources for his own purposes--in effect, stealing from the company--and his actions are, accordingly, immoral and possibly illegal. Al's actions are similar in some ways to those of a bank teller who takes home a few bills from time to time to help his own financial assets or a salesman in a men's store who might take a shirt or a tie on occasion for his own wardrobe. Al, of course, does not keep the tools as his own; he merely "uses" them. In these latter two cases, it is difficult to imagine that, when the thieving party is confronted by the evidence, the person would insist on knowing what co-workers had "ratted" on him.

By contrast, no one in our story seems to focus on evidence. Michael had suspicions, and his suspicions seemed to be confirmed only by an overheard conversation. The contract procurement agent does not seem to respond with an investigation of the record but repeats the assertion to the chief engineer. The chief engineer does not investigate but simply confronts Al with this transmitted piece of testimony. As the message reaches Al, it has the distinct form of an accusation made by a co-worker rather than as a charge of wrongdoing made by a company officer.

This unfortunate handling of the problem seems to be symptomatic of a number of things that are unfortunate about the XYZ Corporation. For one thing, there do not seem to be appropriate personnel relationships or corporate "climate." Al and Michael do not get along; Michael has little confidence or trust in the chief engineer; both Al House and the contract salesman Bob Deal seem to think it is acceptable to steal from the company; both the contract procurement agent and the chief engineer seem to be more concerned with passing along an interesting story than in investigating the facts; and, finally, Michael, although he tells what he thinks is the truth, feels so insecure regarding his position in the company that he easily lies.

Although the immediate issue in this case is internal whistleblowing, the larger issue is about the corporate climate, communications, and policies involved. Let us consider alternative actions at some of the junctures in this story. The first juncture is when Michael's suspicions regarding Al House's activities are, at least in his own mind, confirmed by overhearing the conversation. What should he do now? Were he to confront Al, Al would

probably claim that the tools were going to be used on some future project even if they did not have an immediate use, or else he might say, "Michael, you don't know what you're talking about!" Before Michael goes any further, he should make sure that Al House is ordering tools for which there is not, nor will be, any use within the company. In other words, Michael needs more than just his own impressions. Even though Michael seems to think the chief engineer is not a person of trust, he might very well be. Michael might, in some nonaccusatory manner, try to investigate concerning the type of order that Al was placing. He need not start out by naming Al; rather, he might ask the chief engineer whether ordering such and such a tool would be appropriate for the activities of their unit. In addition, there are other persons Michael might talk to for guidance, either his fellow workers or one of the officers of the local engineering society.

Let us suppose through one route or another Michael does come to talk with the contract procurement agent. By the time he discusses the matter with the agent, he ought to have more than a set of suspicions to back up his serious accusations. Since the contract procurement agent has access to records that perhaps Michael does not, the agent should investigate those records to find out whether the kind of abuse that Michael is describing has actually taken place over a period of time. The contract procurement agent could then meet with the chief engineer to go over the record of tool orders. There is no reason for the contract procurement agent to reveal that Michael or anyone else talked to him about a specific individual. The agent's job is not to convey an accusation but to see whether abuses have taken place. If, as a matter of record, it can be shown that abuse has taken place and that Al House has been the principal party bringing about the abuse, then the job falls to the chief engineer to decide what to do regarding Al. At this point, the chief engineer is not merely passing along a suspicion by some fellow worker; the chief engineer is confronting Al with what seems to be a violation of company policy. Unless this task is undertaken by some other administrator, it is the chief engineer's responsibility to present Al with his alternatives. Al could claim innocence and want to have protection to show that he was innocent. Or, even if Al did the abusive acts, company policy might permit him to get off with restitution of costs plus a letter of reprimand in his file. At worst, Al might be threatened with legal action and with termination.

Finally, let us suppose the scenario goes as it does to the point of Michael being confronted by Al's charge of having ratted on him. As intimidating as Al probably is, Michael could take the offensive, responding to Al's charge of having ratted on him with a line such as, "Well, Al, did you do it? Did you order the tools for your own use?" If Al protests strongly that he did not, Michael may at this point wish that he had developed a better-substantiated case. Or Al could say, "Well, yes, of course I did, but everybody does it!" Michael could then respond, "That doesn't make it right, Al!" And he could continue with something like the following: "Look, Al, at this point it doesn't make any difference who or what led the company to find out what you're doing. As I see it, you're in serious trouble! If I were you, I wouldn't waste your time talking to us. You probably ought to talk to the chief engineer or someone else in the company to find out how to save your job!"

More than anything else, this case illustrates the need for companies to be concerned with relationships among their people and with the effect of corporate policies and actions on the loyalty of those employees. If the company had an ombudsman or a clearer policy regarding internal whistleblowing, Michael might not have gone forward in such a disorganized and later fearful manner. If there had been more concern on the part of company officials with the facts rather than the personality gossip, the story might have proceeded in a better fashion.

One final comment is in order. As a number of writers have asserted [for example, Richard DeGeorge in *Business Ethics* (New York: Macmillan, 3rd ed., 1990), pp. 212-213; or Ronald Duska in DesJardins and McCall, *Contemporary Issues in Business Ethics* (Belmont, California: Wadsworth, 2nd ed., 1990), p. 146],

we are not usually required to be self-sacrificial moral heroes in whistleblowing cases. Richard DeGeorge claims that one necessary condition for whistleblowing to be morally obligatory, rather than merely morally permissible, is a good reason to believe the act of whistleblowing will result in appropriate and successful corrective action. There is little in "Borrowed Tools" to confirm this condition.

Wade L. Robison

It is wrong for Al House to order tools that had "no significant use" for his unit at XYZ in order to use them on his own home building projects. That, presumably, is a given. He is cheating the company just as surely as if he dipped into the cash drawers and took out whatever money he needed in order to purchase the tools for himself. The only possible benefit of cheating the company as he did was that other employees might also borrow the tools, and they would thus be benefitted in a way that they would not be if Al were to steal the money to buy the tools for himself.

The moral issue concerns what one ought to do when one knows that someone is stealing from the company for which one works. The complications arise because the person doing the stealing is in some position of power over the person aware of the cheating and because the one person within the same unit who could be talked to is thought unreliable and untrustworthy.

Michael Green, who knows of the cheating, is unwilling to confront Al House or inform the chief engineer. It is not obvious that either position is morally defensible or otherwise appropriate. Consider the chief engineer first. When Michael Green went to the Contract Procurement Agent, the latter talked to the chief engineer who then confronted Al. It may be that Michael thought that if he went to the chief engineer, nothing would happen and that it is the Procurement Agent's having talked to the chief engineer that made a difference. Or it may be that Michael thought that the chief engineer would tell Al that it was Michael who "ratted." In any event, from how things worked out, it looks as though all Michael had to worry about was having the chief engineer tell--since, in fact, the chief engineer did confront Al when informed of the problem. He did what he needed to do, that is. And Michael could have given him a chance to do that without seeing the Procurement Agent. If the chief engineer refused to act because it was Michael telling him rather than someone outside the unit, or higher up, then it would be time enough for Michael to go to the Procurement Agent--after informing the chief engineer that that is what he would do.

As it is, Michael has effectively informed the Procurement Agent--by the act of going to him first--that he does not trust anyone in power within his unit. He has also effectively informed the Agent, by asking him not to inform Al House who has told, that he expects Al to be vindictive. So he has passed on to someone outside the unit negative judgments both about Al's character--he is vindictive as well as someone willing to steal from the company--and about the chief engineer's character.

In addition, the result of Michael's not confronting Al up front, or telling the chief engineer and giving permission that he be named as the person who knows what is going on and is willing to talk about it, is that everyone in the unit has to confront Al House and be questioned about what he did. The effect of that sort of confrontation is, among other things, that everyone will know both that Al has stolen from the company, that Al suspects that someone in the unit knows, and that whoever knows is not willing to come forward to be identified.

But what were Michael's options? If he confronted Al, then what would the result be? Even if Al then and there ceased to order tools for his own use, his past misconduct would go unpunished, and Michael would risk putting his own position at some risk--at least insofar as what he did depended upon Al. So confronting Al puts Michael

in an awkward position and does not seem to solve the essential problem. What, for instance, is to prevent Al from doing the same sort of thing again, this time somewhat more discreetly, making sure that whatever he orders bears some, however little, relationship to his unit's needs?

What is problematic about the case is that Michael faces such choices. One ought not to arrange matters in such a way as to presume that anyone is likely to cause harm to the company or any of its employees, but matters ought to be arranged so that if someone does, then an effective means of rectifying the situation exists so that neither the person bringing the complaint nor the person against whom the complaint is brought risk being treated unfairly. One needs evidence to make an accusation, but the person accused needs a chance to rebut the evidence, give, that is, their side of the story.

Having an ombudsman would help in such a situation--someone outside any particular unit of a company whose job it is to listen to concerns about such issues as that facing Michael. Such a person would presumably be committed to strict confidentiality, but also be committed to taking any accusation seriously enough to pursue it, to find out whether there is evidence that it is true and then, if there is, to see to whatever needs to be done given the truth of the accusation.

In short, what is morally problematic in the case in question is something structural within the company, namely, that Michael has so few options available to him when he wants to do what is right. Someone who is concerned to see that the company they work for is not cheated should not have to risk such harm in order to initiate whatever is necessary to rectify matters. One does not want to encourage reckless accusations, made without evidence, but one also does not want a structure that unnecessarily discourages those who would help the company and/or its employees from being harmed by someone within the company.