The Separation of Law and Justice: Managing Impressions of Corporate Ethics Programs

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This article is based on the study of two companies that differ in their definition of ethics, one with a narrower definition than the other. The one with the narrower definition invited skepticism about its commitment to the spirit of ethics but was better able to manage expectations about its ethics program. The one with the broader definition might have appeared more true to the spirit of ethics but was more vulnerable to claims made against their own standards and language. The implications of these findings for corporate ethics programs are discussed.

KEY WORDS: corporate ethics; effects of definitions of ethics; spirit of ethics; changing definitions of ethics.

INTRODUCTION

When people heard that defense contractors were going to implement corporate ethics programs as part of an agreement with the government, they tended to react with sarcasm and snickers. The press ran satirical cartoons and columns. There was speculation, inside and outside of the industry, as to whether the programs would be mere image management or more substantive attempts to address ethical issues. Because of the industry's high visibility and recent history of wrongdoing, these ethics programs were particularly vulnerable to the pejorative label, "law without justice," that is, they stood to be criticized for following the letter of the law but not living up to the spirit of ethics. This article discusses how top managers at two companies coped with this perceived separation of law and justice and tried to define "ethics" in a manner that allowed them to argue that their programs did, in fact, live up to the spirit of ethics and exemplify "law *with* justice."

We discuss two companies that differ in their initial definition of ethics. Top managers at the first company used a narrower definition of ethics, focusing on

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compliance with rules, while top managers at the second company offered a broader definition of ethics, focusing on overarching corporate values like fairness and respect. Those using a narrower definition have to justify that definition and its exclusion of issues that may seem germane to ethics. Top managers who adopted a broader definition of ethics may not face this challenge and may be less vulnerable to the charge, "law without justice." At the same time, a broad definition may generate high expectations that the corporation lives up to its espoused values. Employees can coopt the moralistic language of ethics to frame their claims and grievances (such as, "My performance evaluation was not conducted fairly, and this is unethical; I thought your ethics policy was to treat all employees fairly, with respect and dignity"). Other studies suggest that managers are less likely to respond to the injustice claims of less powerful constituencies (Reis, 1981). However, we found that top managers often tried to address employee claims, even in areas such as human resources, which were not originally envisioned as part of the ethics programs and were not covered by any laws related to the ethics programs. Thus, we introduce the idea that employees may have realized some measure of "justice without law" — another variation on the separation of law and justice — as an unintended consequence of the implementation of ethics programs.

This article will present our findings on how the company that initially defined its ethics program more narrowly coped with the charge, "law without justice," and how the company that initially defined the ethics program more broadly coped with increased expectations and the possibility of "justice without law." "Ethics" can be defined in many ways (e.g., Cavanagh, Moberg, & Velasquez, 1981), whether for strategic, personal or other reasons. This article traces the implications of an initial definition and pressures for ongoing changes to the definition.

Our approach follows other research that has treated justice as an interpretation of an action, practice, or program (e.g., Bies, 1987; Greenberg, 1990) and an impression to be managed (e.g., Schlenker, 1980; Tedeshi & Reis, 1981). Greenberg (1990) examined the discrepancy between "looking fair" and "being fair." This research suggests that managers are motivated to "look fair" by strong norms and by the need to gain legitimacy or repair a damaged public image. Underlying this research, sometimes only implicitly, is the idea that "being fair" is more costly and may require various changes. In the case of the ethics programs, such changes might range from a review of defense contracting procedures (to bring them in line with the specifics of the law) to the creation of more opportunities for participation for employees (perhaps to live up to the spirit of ethics, where ethics is broadly defined). The shadow of more fundamental changes in how power and resources are distributed in organizations, potentially threatening to the status quo, is often cast when the issues of justice and ethics are raised.

March (1987) suggests that, at first glance, tensions like the one between "looking fair" and "being fair" can be solved as a simple optimization problem: corporations should want to do the minimum required to "look fair." Once they determine that level, the problem is resolved. However, he adds that the problem is often not so simple, since corporations and their constituencies may change their preferences for the optimal mix. We elaborate how top managers and employees negotiate the definition of being fair and ethical, changing and questioning one

another's definitions and their own preferences. Top managers may try to bring their definition of what is fair and ethical into line with what they are doing to be fair and ethical, in order to both "look fair" and "be fair," or "look ethical" and "be ethical."

As we will show, this consistency is somewhat easier to maintain when a narrower definition of ethics is espoused. When employees or any other constituency perceive a discrepancy between how the corporation is trying to appear and what the corporation is doing, they often seize the opportunity to demand that actions be brought into line with espoused values. Ironically, these challenges may be more likely to happen when the definition of ethics is broader and perhaps more substantive changes are being made anyway. Any perceived discrepancies leave managers vulnerable to the damaging charge of hypocrisy. People highly value consistency in their leaders (Cohen & March, 1974), and seem to like to expose a hypocrisy. Since programs such as corporate ethics programs are carefully scrutinized by various internal constituencies (Reis, 1981; Schlenker, 1980: Tetlock & Manstead, 1985), and since "ethics" is a powerful word whose contested meaning invites ongoing renegotiation, there may be no stable, optimal solution that allows top managers to "look fair" and not face further challenges. Rather, there is a continual cycle, in which managers justify their actions, receive and anticipate reactions to both their justifications and their actions, and revise either their actions, their justifications, or both (Bies, 1987; Meyerson & Scully, 1988, 1990[3]).

The "justice without law" possibility arises because employees can coopt the moralistic language of "ethics" that top managers espouse in creating ethics programs and demand that top managers live up to that language. Employees might adopt the moralistic language of the ethics program to express their sense of injustice and to bring a new legitimacy or urgency to their grievances and claims. Employees' claims are often about the fairness of human resource policies, which were not originally envisioned by top management to fall under the rubric of ethics. Top managers were motivated to respond to employee claims to avoid the appearance of hypocrisy, particularly when employees' challenges were visible (Reis, 1981; Tetlock & Manstead, 1985) or when they threatened the legitimacy of the programs (Greenberg & Cohen, 1982).

The civil rights movement gained a lot of its power following a similar dynamic. Civil rights leaders demanded that the U.S. government and U.S. citizens live up to the promise of equality espoused in the Constitution. If the Constitution had not made such a guarantee, the movement would have had a very different challenge to try to argue that equality was an important value. Similarly, at companies where ethics was more narrowly defined from the start, the hypocrisy charge could not be used by employees to push claims through the ethics programs. Instead, employees would have had to argue that the top-down definition of ethics ought to be broader.

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[3]A full elaboration of the stages in this process of renegotiating the meaning of ethics and the implications of this process, which this article draws upon, can be found in Meyerson and Scully (1990).

METHOD

Background to the Study

In 1986, in the wake of several well-publicized indictments, forty defense contractors signed the Defense Industry Initiative (DII), an agreement with the Department of Defense (DOD) to create corporate ethics programs that would "reduce fraud, waste, and abuse." The DOD had originally proposed setting up its own hotline for employees to report directly any suspicions of wrongdoing. However, the corporations preferred to create and manage their own ethics programs and to have employees report any problems internally, with the condition that the corporations would voluntarily disclose to the DOD any cases of fraud that they uncovered.

The DII stipulated that each corporation would designate a "corporate ethics officer," write and distribute a code of corporate ethics, establish ethics hotlines, and oversee the training of employees on aspects of procurement laws and other laws relevant to their jobs. The DII specified that there would be an annual audit of all participating companies for the first three years of the program to insure compliance.

The DII gave more guidelines about the form of the programs than about their substance. The audit simply checked whether or not corporations implemented the specified aspects of an ethics program, for which they scored a "yes" or a "no." The details and criteria of implementation were vague. The statement of the purposes of the DII and the audit criteria are given in Appendix A.

Although for the discussion in this article the DII is the immediate "law," it is not strictly a "law." However, it is a binding and enforceable rule of action, to which the governed consent. In turn the DII makes reference to a large body of law covering government procurement from defense contractors, such as the Federal Acquisition Act. These laws cover pricing, specifications, conflicts of interest, etc. The DII is meant to ensure compliance with these laws, particularly since some defense contractors had been indicted for violating them.

Sample

Our interview sample included 18 senior executives, 6 division executives, and 4 middle managers at two of the larger companies participating in the DII.[4] At each company, we interviewed the corporate ethics officer as well as a combination of the CEO, president, and senior or executive vice presidents of human resources, finance, legal, public relations, operations, and manufacturing. We encountered resistance to our proposal to interview lower-level employees, as well as the logistical difficulty that hourly employees' time with us would have to be charged to some contract or to overhead in six minute units. The mischarging of labor to the wrong contracts was one of the major problems that prompted the DII, so there was great sensitivity to this issue.

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[4]Our full sample, reported in Meyerson and Scully (1990), included 56 senior executives at five companies. Here we focus on two companies for illustration.

Our sample best represents top management in each company. Since top managers are the ones responsible for defining the initial scope of the ethics program and for responding to any challenges to that definition or to subsequent policies, the information from this sample is appropriate to the focus of this article.

We conducted the interviews in 1987, when companies had just implemented the programs and the definitions of ethics were still being negotiated. We asked top managers about the evolution of the program, what the program was intended to accomplish and whether that involved any changes, whether they had encountered any expected or unexpected challenges, how they had responded to these challenges, and whether they thought the attention to ethics would persist.

Analysis of Interviews

As part of a largely inductive process, our analysis was ongoing as the interviews proceeded (e.g., Glaser & Strauss, 1967; Miles & Huberman, 1984). We analyzed each interview transcript, and supplemental corporate memos and announcements, for (1) how top managers justified their initial definition of "ethics" and introduced the ethics program to internal and external constituencies; (2) how they perceived employees' and others' responses to their definition and their program, (3) how they answered these actual, anticipated, or imagined responses, (4) how they coped with any alleged inconsistencies among their justifications or between their justifications and their actions; and (5) what they anticipated future challenges would include. We coded the transcripts for types of responses to these issues, but decided that statistical significance tests would be inappropriate since the interviews were often open-ended and exploratory. Our aim was to uncover patterns and processes that would help to develop, rather than confirm, theory (Eisenhardt, 1989; Glaser & Strauss, 1967).

FINDINGS

Initial Approaches to Ethics

Alpha Corporation and Gamma Corporation took different initial approaches to ethics. Alpha Corporation created a more rules-based program, defining ethics more narrowly as compliance with rules. Gamma created a more values-based program, defining ethics more broadly as compliance with a general set of values.

Alpha Corporation defined ethics in terms of compliance with rules, including both the rules in the DII about components of the ethics program and the rules governing contracting with the DOD. For example, they forbade employees to buy a visiting admiral even a cup of coffee, taking the strictest interpretation of the DOD rules prohibiting gifts that might influence a potential customer. They called their corporate ethics officer the "Director of Business Practices." He was the vocal spokesperson for the program within the company, almost a lightning rod, who

kept ethics issues strictly in his domain and away from the rest of the corporation. He personally handled all the calls to the ethics hotline, and directed calls about human resource and other issues to the "appropriate" departments. In interviews in the employee newsletter, he explained which kinds of calls were and were not appropriate to the ethics hotline, thereby carefully delimiting the domain of the ethics program and sending a clear message to employees that ethics was about compliance with the law.

In contrast, Gamma Corporation defined ethics in terms of broad values that would guide managers and subordinates as they exercised discretion. Top managers explained that there was "no rulebook large enough" to cover all the contingencies that can arise in defense contracting, so they hoped that a set of values would provide general guidance. The values they espoused as part of ethics were often about fairness, and the corporate code of ethics included "treating customers, suppliers, and employees with respect and dignity." They called their corporate ethics officer "Director of Corporate Ethics," the only company we studied to retain the powerfully charged word "ethics" in the formal title. He chose to be less visible within the corporation, letting the Chief Executive Officer be the spokesperson for ethics, to symbolize its importance throughout the corporation. He responded to calls about human resource issues and created forty additional hotlines to handle these issues. Top managers at Gamma made an effort to demonstrate that they were committed to the spirit as well as the letter of ethics and that the ethics program was consistent with the corporation's concern for justice and openness to needed changes.

Challenges to the Programs

These different definitions posed different challenges to the corporations. Alpha had to demonstrate that its program was not a case of "law without justice." Gamma had to set limits to how much "justice without law" employees could demand through the ethics program. Both corporations had to meet these challenges in a way that maintained the legitimacy of their ethics program and did not look like obvious attempts to manage meaning or to rescind earlier justifications.

Alpha Corporation:
Law with Justice or Law without Justice?

Alpha Corporation faced the challenge of demonstrating that its program was not a case of the letter of the law without its spirit. The top managers emphasized repeatedly that their company had "a long tradition of integrity to counter actual or expected objections that their program ignored real ethical issues. They emphasized that the current ethics program was something that was being imposed on them externally to placate Congress and the public during a time of negative publicity (even "a witchhunt") against the defense industry. In fact, they argued, they did not need such a program in order to "become" ethical, since they had been ethical all along. Their mere compliance with the DII did not suggest a lack of commitment to ethics, they claimed, but a confidence that they were already dealing with ethics.

It was somewhat easier for them to take this posture, since they had been indicted less than Gamma Corporation.

Moreover, top managers at Alpha argued that the solution to the problems that had brought defense industry ethics under scrutiny — like $700 hammers — did not lie with the corporations but with the DOD. Several managers took pains to explain to us why the well-publicized hammers cost $700: because the DOD made exacting specifications and then ordered only one at a time. Most managers also had their favorite example of the DOD's most ridiculous rule, such as not buying an admiral a 25 cent cup of coffee, lest it appear they are violating rules about bribing customers, or such as making sure hourly employees do not make any of the 27 possible mistakes in filling out a labor time card. Top managers at Alpha saw the ethics programs as an exercise in complying with such picayune rules, and therefore their compliance sometimes sounded grudging. To them, the spirit of ethics would be best fulfilled by an examination of the rules themselves, and if their following of the law fell short of justice, it was only for this reason.

Top managers' justifications focused on how Alpha was already sufficiently ethical and how improvements in ethics would come from changes made by other parties, like the DOD. Alpha Corporation did not design its ethics program to be a vehicle through which it would reevaluate its own procedures, either within the domain of defense contracting or in other areas like human resources. Skeptics might not be convinced of their arguments that they were sufficiently ethical, in the broadest sense. Because ethics is such a heated word, it remains difficult to maintain a narrow definition for the ethics program. Maintaining a narrow definition might appear to some critics to be defensive rhetoric or an effort to avoid potentially costly and threatening changes that a broader definition of ethics might occasion.

It is not the purpose of this article to treat Alpha and Gamma definitively as cases of "law with justice" or "law without justice." The discussion above points out that there are numerous and malleable definitions of ethics and that top managers are sensitive to numerous potential impressions of their programs when they define ethics. The evaluation of ethics programs is complicated by the lack of clear criteria for success of the programs. For example, success might be measured by many calls to the ethics hotline (e.g., indicating that the hotline is visible and trusted by employees) or by few calls to the ethics hotline (e.g., indicating there are no problems to be reported); success might be unobservable, such as indictments that do not happen. Therefore, the evaluation of these ethics programs cannot be reduced to objective criteria and continues to rely on fairly subjective definitions and preferences.

Gamma Corporation:
The Possibility of Justice without Law

By defining ethics more broadly, Gamma was somewhat less vulnerable to the label, "law without justice." At the same time, its constituencies were vigilant that the corporation live up to its own high standards. A broad definition of ethics created high expectations. Through the implementation of ethics programs, employees found a way to argue normatively for organizational changes that were not

explicitly part of any law related to ethics programs or defense contracting. These changes might have been perceived by employees as making the corporation more ethical and more just or might have been favored by employees previously and then opportunistically labeled a matter of ethics.

The ethics hotlines at both Alpha and Gamma were swamped with calls pertaining to human resource issues. Only about ten percent of the calls were inquiries about the correct procedures for avoiding fraud, waste, and abuse, or allegations that required investigation. Employees who chose to use the ethics hotline for these claims and to put their claims in terms of ethics took the perspective that human resource issues were ethical matters and had to be remedied to fulfill the spirit of ethics. They raised a variety of issues, from unfair treatment by a supervisor to questions about whether a layoff was fair. Some issues required only a minor fix, but others posed major challenges.

One caller to Gamma's ethics hotline claimed that it was both unfair and wasteful that lower-level employees who went on business trips had to surrender their frequent flier points in the name of keeping down costs to the government and the taxpayer, while top executives nonetheless were allowed to fly first class. The caller invoked the idea of "reducing waste," which was very much in the language of the DII. Moreover, the caller spoke of an unfair "double standard" for the two levels in the company, and invoked Gamma's own definition of "treating all employees fairly and with respect."

The problem did not pose any real challenge to how rewards and perquisites were distributed more generally in the corporation, because it admitted a relatively easy administrative solution. Top managers at Gamma decided that everyone could keep their frequent flier points, while no one could fly first class. Two top managers pointed to this case as an example of corporate responsiveness to employee claims and also an example of how, in the net, costs would be cut and waste reduced.

Other employee challenges did not permit such straightforward solutions. For example, employees in one division of Gamma went on strike over a wage cut that they felt was unfair. The CEO responded that they had five days to return to work, or they would lose their jobs. The union president urged employees to stay out on strike, and the corporation went ahead and hired others for their jobs. The union president wrote an angry letter to the CEO, essentially charging him with hypocrisy — how could the CEO claim that he and the company were committed to ethics and so dramatically violate its spirit? The CEO justified his action to us, saying that the union president had himself been unethical in encouraging employees to continue striking when there was a clear threat that they would lose their jobs. The CEO felt that he himself had been ethical in giving them a deadline and sticking to it. He also argued, ironically, that ethics could not be what anyone conveniently wanted to call it to bolster their position. He felt that the union president was being manipulative in his use of the word "ethics," and that this word had "planted dynamite" in the corporation.

We later interviewed the person who handled calls to the ethics hotline at the Gamma division where the strike and layoff occurred. He had received many calls from people upset that their friends had lost their jobs. He neither

criticized nor defended the corporate policy, but he did try to console the callers. In this case, the ethics hotline may have served not so much as a channel for venting perceived injustices as a means of "cooling out the mark" (Goffman, 1952).

In contrast, at Alpha Corporation, which had endorsed a narrow definition, the employees had weaker grounds for arguing that their human resource issues were ethical matters that deserved attention. Consistent with the initial definition, top managers argued that these were not issues for the ethics programs. The Director of Business Practices, who answered the hotline, redirected people to the personnel department or back to their own supervisors. It is one thing for employees to make claims against a program by using the program's own language. It is quite another thing for employees to try to redefine the program's language and to argue that it should be broader than what top management espouses.

The narrower definition of ethics at Alpha made it easier to deflect human resources issues away from the ethics program. However, top management could not assume that this response would easily placate employees, simply because it was consistent. Therefore, even at Alpha, top managers expressed concern over how to handle these calls and over how well employees accepted management's justifications about the scope of the ethics programs.

Top managers at both corporations could not afford to have employees become cynical about or disinterested in the ethics program. For pragmatic reasons, they wanted the ethics hotline to be used by employees and to remain an effective net for catching problems internally, lest a disgruntled employee go outside the company with an issue and cause an unwanted public exposé.

DISCUSSION

Alpha's use of a narrower definition of ethics invited skepticism about their commitment to the spirit of ethics, but enabled them to manage expectations of the program. Gamma's use of a broader definition of ethics might have appeared truer to the spirit of ethics, but left them vulnerable to a wide range of claims made against their own standards and in their own language. Alpha experienced pressure to broaden its definition to cope with criticism. Gamma felt pressure to live up to its broad definition or reconsider its definition and delimit what claims might be raised in the name of ethics.

To the extent that employees at Gamma have gained a new opportunity and a new channel for raising grievances, and perhaps even more to the extent that their grievances are actually addressed, they have gained a measure of justice through the ethics programs. This justice is "justice without law" inasmuch as these gains are not based on laws specifically about human resource issues, but based on the normative language of ethics.

Employees' quickness to respond to any suggestion of hypocrisy and top managers' desire to avoid the charge of hypocrisy gave impetus to these gains. This dynamic of trying to live up to one's own managed impression is particularly problematic in the case of ethics programs, where the desired impression is ambiguous

and is forged in the lofty language of ethics. A similar dynamic may operate in other situations as well. For example, numerous corporations and politicians are now espousing enthusiastic commitment to environmental issues, while skeptical activists are pushing them to make their actions and their votes live up to their statements.

This general process is similar to the dynamic through which employees' moral outrage about a variety of perceived injustices is managed, as Bies (1987) describes. Bies claims that managers are pressured to respond to employees' moral outrage, yet he does not elaborate the mechanism through which this pressure develops. Our study suggests that the need to avoid appearing hypocritical not only helps managers save face, but also protects the credibility of the program being justified.

Hypocrisy is often regarded as a vice (Shklar, 1984). Indeed, some might argue that, though employees have weaker grounds for appeal at Alpha, at least Alpha is being consistent and living up to its own definition, even if it is a narrower definition. In line with the suggestions of others (March 1976, 1979; Weick, 1979), we have illustrated in earlier work (Meyerson & Scully, 1987) why we might instead be more tolerant of hypocrites, since those who talk more morally than they act may be precisely those who are preparing to act more morally. This study suggests that, without such moralistic talk, employees and critics have weaker grounds for demanding more moral action. Thus, there may be reason for researchers to herald hypocrites, but at the same time, lenience on the part of participants who perceive the hypocrisy might mean a loss of the impetus for change described in this article. Praise might be reserved for former hypocrites.

There is reason to be hopeful about hypocrisy insofar as sometimes the tension between the language of ethics and the actual ethics policies is resolved by bringing the policies into line with the language, as in the case of "justice without law." However, the tension can be resolved in the other direction, by tempering the language and not changing the policies. For example, Gamma Corporation may decide to narrow its definition of ethics or redefine the scope of what is appropriate to the ethics program. This possibility was suggested in the response of the CEO of Gamma to the strike and layoff, where he argued that everything cannot conveniently be raised as a matter of ethics. Nonetheless, there may be limits to what those with the power to manage meaning in organizations can do once certain definitions, even of their own creation, gain credence.

When the ethics programs become institutionalized, their moralistic language might lose its currency. Will this mean that the gains made by appealing to this language — the "justice without law" — will not persist? Employees have gained some voice and made some small substantive gains through the ethics programs, particularly at Gamma Corporation. It remains to be seen whether the gains can outlast the three-year mandate of the DII. If employees' gains are not backed by law, they may be tenuous.

Most advances in employee rights have been backed by laws, such as affirmative action, occupational safety, and the right to vote for a union. However, it is sometimes argued that these laws lose their spirit once they are institutionalized in corporations; they can become a set of administrative rules to follow. The

manipulation of numbers to meet affirmative action targets is sometimes cited in this regard, and some top managers we interviewed even drew analogies between the future of the ethics program and the current weakened state of many affirmative action programs. The possibility of "law without justice" points out that the law itself may not be sufficient to bring about justice.

"Ethics" is a powerful word that may not lose its impact. If it continues to be used in corporations it may continue to invite attention to value-laden issues. Without being too sanguine, we can ask whether the gains made by using the normative language of ethics will persist as long as the normative language holds sway. This study raises the interesting question of whether changes brought about normatively in corporations can be as effective as, or even more effective than, changes brought about coercively through law.

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APPENDIX A:
THE DEFENSE INDUSTRY INITIATIVE (DII)[5]

I. All companies that signed the DII "pledged . . . to promote ethical business conduct through the implementation of policies, procedures and programs in the following six areas:"

1. Written codes of ethics.
2. Ethics training.
3. Internal reporting of alleged misconduct.
4. Self-governance through the implementation of systems to monitor compliance with federal procurement laws and the adoption of procedures for voluntary disclosure of violations to the appropriate authorities.
5. Responsibility to the industry.
6. Accountability to the public.

II. Auditors reviewed the companies using an 18-point questionnaire; companies scored a "yes" or "no" for each question.

1. Does the company have a written code of business ethics and conduct?
2. Is the code distributed to all employees principally involved in defense work?
3. Are new employees provided any orientation to the code?

[5]Taken from The Ethics Resource Center's 1987 Annual Report to the Public and the Defense Industry on the Defense Industry Initiatives on Business Ethics and Conduct, Washington, D.C., January 1988.

4. Does the code assign responsibility to operating management and others for compliance with the code?

5. Does the company conduct employee training programs regarding the code?

6. Does the code address standards that govern the conduct of employees in their dealings with suppliers, consultants, and customers?

7. Is there a corporate review board, ombudsman, corporate compliance or ethics office or similar mechanism for employees to report suspected violations to someone other than their direct supervisor, if necessary?

8. Does the mechanism employed protect the confidentiality of employee reports?

9. Is there an appropriate mechanism to follow up on reports of suspected violations to determine what occurred and who was responsible, and to recommend corrective and other actions?

10. Is there an appropriate mechanism for letting employees know the result of any follow up into their reported charges?

11. Is there an ongoing program of communication to employees, spelling out and reemphasizing their obligations under the code of conduct?

12. What are the specifics of such a program: Written communication? One-on-one communication? Group meetings? Visual aids? communication? Others?

13. Does the company have a procedure for voluntarily reporting violations of federal procurement laws to appropriate governmental agencies?

14. Is implementation of the code's provisions one of the standards by which all levels of supervision are expected to be measured in their performance?

15. Is there a program to monitor on a continuing basis adherence to the code of conduct and compliance with federal procurement laws?

16. Does the company participate in the industry's "Best Practices Forum?"

17. Are periodic reports on adherence to the principles made to the company's Board of Directors or to its audit or other appropriate committee?

18. Are the company's independent public accountants or a similar independent organization required to comment to the Board of Directors or a committee thereof on the efficacy of the company's internal procedures for implementing the company's code of conduct?

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