

# What is a Code of Ethics?

*We do not believe in Business Ethics,  
Just Ethics.*

The Sarbanes-Oxley Act is a financial accountability law whereby management of public companies are responsible for financial ethics, integrity and internal controls in its external reporting. The heart of the law is to protect investors and stakeholders from fraudulent financial reporting and misrepresentations. But what does it mean to have corporate ethics and integrity?

Initially it seems the word "ethics" resembles "do the right thing". The question is, do we really understand right and wrong? Situational ethics suggests changing the definition for different situations. So, is it wrong to spend \$170 million on personal expenditures if you are the reason a billion dollar company became a forty billion company?

Or maybe ethics is as a series of rules and regulations. In that case a long comprehensive list of rules and regulations would seem to be the answer which seems to be what corporate America is embracing. But what if a particular rule hasn't been defined? How do we behave?

Some best selling authors have defined ethics as the golden rule, "do unto others what you would have them to do to you". But if our misrepresentations raise stock prices doesn't everyone win, at least in the short run?

In many ways all the definitions are correct. But I thought to myself, how can I create a simple rule I can follow to guide my behavior in those rare situations where I am tempted to stray? So I thought...

**If what I am about to say or do was disclosed in the New York Times tomorrow morning, including my concealed motivations and resolves, would I still say or do it?**

It's not perfect, but it seems to work. It isn't the easy way, but in the long run it seems to lead to a good night sleep.

Hope this helps!

*Bob Benoit*