

# Basic Economic Development Course

## Ethical Dilemmas Scenarios

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For the scenario assigned to your group, identify the ethical issues presented in this scenario and what, if any, action you should (or should not) take. Reference sections of the IEDC Code of Ethics where applicable.

### 1. Overly-Interested Chairman

You are working with the Department of Commerce to recruit a major business to your community. During the course of conducting your due diligence investigation of the company, you discover that the county board chair has a significant financial interest in the business and stands to personally benefit if the business locates to your community.

### 2. Long-Lost Roommate

Because of the complexities of a major potential business recruitment project, your board instructs you to hire a consulting firm with legal and financial expertise in economic development. The day after the board meeting during which you received this directive, you receive a phone call from the partner of a major consulting firm inviting you to lunch to discuss his firm's services. During the conversation, the partner mentions that he is the college roommate of your board chair who contacted him the previous evening about the need for consulting services and asked him to reach out to you, which, of course, is he more than happy to do for his old friend.

### 3. Legislative Promises

In order to close the deal on a major expansion of an existing industry, your community needs help from the General Assembly. Specifically, what is needed is legislation establishing a special tax credit for this industry and funding to widen and upgrade the highway exist and access road leading to the industry's facility. In a meeting between your board chairman and the industry's president, your board chairman "guarantees" that your legislative delegation will act quickly to pass the needed legislation and secure the funding from NCDOT. Unfortunately, you know that your delegation has refused similar requests in the recent past and is not likely to be supportive of this one. Before you have an opportunity to discuss this situation with your chairman, however, the industry's president issues a press release announcing the expansion and credits your board chairman for his leadership in securing the promised legislative action, much to the anger and dismay of your legislative delegation who knew nothing about the chairman's promises.

### 4. Hardball Tactics

A neighboring community is in a bidding war with you to secure a new business that would bring an impressive number of new jobs and capital investment. Elected officials in the neighboring community initiate a "smear" campaign that paints your community in a negative light and grossly distorts your community's crime rates and unemployment statistics. Enraged, your governing board directs you to engage in similar tactics to discredit your neighbor and emphasize (perhaps overly so) the positive aspects of your community.

## 5. Erroneous Report

A data error in a national report ranks your community much higher than it should be in several categories of key interest to business and industry. An international manufacturing company contacts you expressing interest in relocating its corporate headquarters to your community. The company's interest is based on the national report that you know is erroneous, and you believe the company would not consider the relocation if it was made aware of the correct information about your community.

## 6. Divided Community

You have been working diligently at the direction of your board to recruit a major retailer. The new business would bring a number of much-needed jobs and capital investment to your community which is still struggling to recover from the recession. The community itself is divided. One side welcomes the new jobs and increased revenues with which the local government can restore services that have been cut in recent years due to budget constraints. The other side fears that the presence of a large retailer will fundamentally alter the culture and charm of the community and compete unfairly with locally-owned and operated businesses.