NRN EDITORIAL

Embroiled CEOs might tell you: Count all your chickens but don't cook the books

If by chance you're wondering what the best-dressed prisoner might be wearing over the next few years, you probably imagine that it will be some kind of striped suit. Hold that thought.

Chances are your guess is not too far from reality for cutting-edge trends in prison garb. No matter what the latest trend in jail fashion might be, stripes still will be in.

While it may not be the stereotypical, horizontal, black-and-white uniform we tend to associate with prison attire, it will have stripes. But they will be vertical ones — perhaps in a lovely shade of blue — with nicely tailored lapels and a white collar.

Today's alleged criminal who soon may be defendant du jour is no petty thief. It's very likely that he — or she — will be the CEO or another top executive of some S&P 500 company whose accountants or corporate officers now are accused of improprieties.

So now everyone's alarm bells are ringing, and they should be. The Securities and Exchange Commission and the American public are watching with eyes wide open.

Greed, it turns out, isn't always good.

Just ask ImClone's Sam Waskal or potpourri princess Martha Stewart, Tyco's Dennis Kozlowski or WorldCom's Bernie Ebbers. They'll tell you. But forget about Enron's Ken Lay; he's lying low deep in the heart of Houston.

In the case of Waskal and Stewart, it's alleged that the ImClone chief executive gave an early alert to several family members and friends — including the domestic diva — that the Food and Drug Administration would reject the company's application for its new cancer-fighting drug, Erbitux.

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Kozlowski, former head of Tyco, the medical supplies giant, tried to master the art of avoiding federal tax collectors. He supposedly bought paintings, including a Monet, hung them on the walls of his New York apartment and shipped their empty crates to his office in Connecticut, where the sales tax is considerably less.

Former milkman Ebbers, the glib, cowboy-boot-wearing founder of WorldCom, the second-largest telecommunications corporation in the United States, watched his company go belly up as reports of massive fraud began to surface.

And then there is Lay, chief executive of former energy giant Enron. In just a little over 15 years, his company grew into one of this country's largest businesses, establishing new methods of energy trading and seeming to be a shining example of what is best about corporate America. Of course, that reputation was built largely on fictitious profits and questionable accounting practices.

In one instance, while energy costs were soaring for Enron's customers — including many restaurant operators — the company appears to have finagled the books to lower its actual profit figure, which would have doubled its earnings over those of the previous year.

For the little people — the consumers — the whole Enron debacle and the ensuing scandals have generated only fear, loathing and a general distrust of the public sector.

Why are business chiefs finding themselves in hot water? Perhaps it's because capitalism and morality, in some cases, make for strange bedfellows. America always has loved a success story, and wealth certainly has become synonymous with success. And if it was a rags-to-riches story, maybe involving a get-rich-quick scenario, well, that was even better. Those schemes generally were viewed with approval, even envy. Those who excelled at the game were rewarded prodigiously, receiving bonuses, better salaries and stock options. But thoughts of morality and ethical conduct too often were pushed out the window, fueling a frenzy for bigger and better scores.

In many of the recent instances, boards of directors and audit committees fell asleep at the switch. Several analysts ignored their own private findings to hype stock and share in big investment fees. And in a number of cases, auditors who were supposed to be counting beans turned out to be just full of them.

While it's easy to blame improper business deals on the few rather than on the many, the truth is it takes careful planning to pull off a major fraud. Who really ends up paying for it in the end? The ordinary folks do.

They're the ones who lose their savings and investments, jobs, pensions and maybe their homes. And, naturally, business owners pay, too. After all, if the consumer has no money, he can't very well afford to pay for goods or services.

Executives once were looked upon as upstanding members of both the corporate and private communities. Now, however, because of a few, their collective reputations are less than sterling. It is time to rebuild that confidence instead of undermining what little is left. Whether you are the "king" of a conglomerate or the operator of a three-unit barbecue chain, pushing the limits of what is "legal" is unacceptable. Ego and blind ambition must be checked at the door. Ethical business behavior clearly is the order of the day.

Roast your chickens, not your books, or you may find your goose is cooked.

LETTERS

Alliance working with chefs to choose seafood responsibly

Editor, NRN:

"Too many boycotts may turn conscientious patrons, operators into endangered species," June 10, page 19, hits close to home. Chefs are connected to our food supply in a way no other industry members can be and are frequently the first ones to respond to shifts in product supply. Many chefs in this country care deeply about our seafood supply, and they don't want to see it disappear.

That's why many chefs are founding subscribers of the Seafood Choices Alliance, a year-old organization that brings ocean conservation to the table by working with subscribers, who are foodservice professionals, and partners, who are conservation organizations, to ensure the widest possible dissemination of information about sustainable seafood. Seafood Choices provides the seafood sector with the information needed to make sound seafood choices while providing their customers with the best available options — in short, looking at both the environmental and economic bottom line.

As the editorial points out, by working together, we can help benefit the greater good. Our combined efforts form a growing movement toward selecting fish from well-managed populations that are caught or farmed in a way that doesn't harm the ocean or other creatures. The information, from well-respected organizations, is science-based and easy to understand. While we are in the very early stages of this movement, we know that we can make a difference. Ultimately, if we don't make better choices today, our choices might be limited tomorrow.

— **Susan Boa**
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