

# Ethics in a Global Engineering Environment

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# What this is

An interactive discussion

If I read slides, we will be done in 10 minutes.

And I will shred every PDH Certificate!

We are professionals

If someone raises a concern, it should not leave the room.

Do not assume any comments refer to present or past employers!

# What this is not

## Legal Advice

- If needed, please consult an appropriate attorney.
- A political discussion

**Wisdom is gained from  
experience.**

**Experience is gained from...  
not knowing better.**

I have to learn from the mistakes of  
others.

I don't have time to make them all myself!

**What do we outsource?**

**Gifts vs. Bribes vs. Campaign Contributions?**

**IP - Intellectual Property**

**Conflicting Legal Requirements**

# What do we outsource?

A young engineer finds out a plating process is violating EPA regulations.

The management does not want to hear about it.

The facility has been inspected by Environmental Authorities multiple times in the past and no citations have been issued.

What is the correct response?

## What do we outsource?

However, the EPA has been mandating expensive and ineffective solutions.

The operation is marginally profitable.

Shutting it down will put 40 co-workers who are friends out of work.

# What do we outsource?

The engineer works on an alternate control.

- For how long should this go on?

The engineer quits within 6 months.

Within two years, the process is closed by management.

The same situation occurs all over the world today.



# What do we outsource?

Many products are now produced in other countries where environmental standards are not as rigorous and seldom enforced.

What is the conflict between lowest, most competitive cost and being able to monitor how foreign suppliers produce?

# What do we outsource?

ISO14000 - Environmental Management

"Small and medium sized enterprises (SMEs) also benefit from ISO 14001:2004. However, implementing an environmental management system in SMEs can be challenging."

<http://www.iso.org/iso/home/standards/management-standards/iso14000.htm>

Most companies are not certified to meet this standard.

# What do we outsource?

From China Daily, January 18, 2013:

After record levels of air pollution, Beijing looks for ways to help it breathe more easily.

"Regarding industrial pollution, the ultimate measure may be to ship it to somewhere else, according to Gerard Kuperus, an assistant professor of environmental studies at the University of San Francisco.

# What do we outsource?

"China is today producing most of our electronics and consumer products," he says.

"Providing electricity for such large-scale production creates massive pollution. In a sense, the way in which the US and Europe solved part of their pollution problem is now causing pollution in other parts of the world, such as China.

**What do we outsource?**

**Gifts vs. Bribes vs. Campaign Contributions?**

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## Gifts vs. Bribes vs. Campaign Contributions? How do our foreign colleagues view us?

"Citizens United v. Federal Election Commission, [558 U.S. 310 \(2010\)](#), a [landmark United States Supreme Court](#) case in which the Court held that the [First Amendment](#) prohibited the government from restricting independent political expenditures by corporations and unions."

From Wikipedia

## **Gifts vs. Bribes vs. Campaign Contributions?**

### **How do our foreign colleagues view us?**

"It's a crime to give or offer anything of value, including cash, gifts, political contributions, travel expenses, and so on, in exchange for a business advantage. A crime is committed even if the bribe is unsuccessful."

Paying Bribes Abroad Will Get You in Hot Water in the US

<http://www.computer.org/csdl/mags/co/2013/02/mco2013020011.html>

## **Gifts vs. Bribes vs. Campaign Contributions?**

### **How do our foreign colleagues view us?**

"Companies that use third parties such as brokers and other agents to sell their products abroad will be liable in the event those third parties make improper payments to generate business for the company."

Paying Bribes Abroad Will Get You in Hot Water in the US

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## **Gifts vs. Bribes vs. Campaign Contributions?**

### **How do our foreign colleagues view us?**

"Recognizing the practicalities of the business world, the government has acknowledged that local culture often necessitates the giving of gifts and offering hospitality as signs of respect that won't influence a person to act one way or another. The government also recognizes that it's often appropriate for companies to give gifts and pay certain expenses in the normal course of carrying out a business relationship."

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## **Gifts vs. Bribes vs. Campaign Contributions?** **How do our foreign colleagues view us?**

What standards do you use for "appropriate" gifts?

How does this apply to meals or entertainment?

US government employees can receive gifts up to \$25.  
In Singapore, no gifts to government employees are allowed.

[http://www.cyborlink.com/besite/international\\_gift\\_giving.htm](http://www.cyborlink.com/besite/international_gift_giving.htm)

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## IP - Intellectual Property

China has become a world leader in patent filings:

- Lower cost for attorneys
- Approvals require months instead of years
- Sets global precedent for patents in other countries

## IP - Intellectual Property

2nd hand, I have heard of two separate situations:

- US Manufacturer shares IP with Chinese component supplier
- Chinese supplier files Chinese or US patents

MAKE SURE YOUR NDA's ARE IN PLACE!

- Document any meetings and IP shared.

**What do we outsource?**

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# Conflicting Legal Requirements

This is from the Accounting World.  
SEC vs. Chinese Legal Requirements:

"The dispute arises from the refusal of Chinese regulators to let the U.S. Public Companies Accounting Oversight Board (PCAOB) inspect the audits of U.S.-listed Chinese companies performed by China-based auditors, as U.S. law requires."

What U.S.-China Auditing Dispute Means for Chinese Business Culture  
<http://blogs.wsj.com/chinarealtime/2013/01/15/what-u-s-china-auditing-dispute-means-for-chinese-business-culture/?KEYWORDS=SEC+China>

## Closing Comments

What are your opinions????

Please fill out the evaluation form.

Thank You!

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