# Facts:

I am an employee of CryBaby Dolls, Inc. I recently graduated at the top of a year management training program. Among the available jobs that were given to me, I picked the internal audit position. One of the retired employee, whose name is Hiram, invited me to lunch. Hiram used to work in the purchasing department of my company. He told me that I should have picked a position at the purchasing department because it would have been the best place to "pad my pockets." He also said that there are at least five companies send bids to our firm. He explained that "all you have to do is give the other four bids to Calumet City Office Machines and they will send in the low bid every time." In return, my family and I will be sponsored on a week-long Hawaiian vacation. When I went back to the office, I realized that Neha Kumar who took the job at the purchasing department was off to a "vendor conference" in Hawaii next week.

# Ethical issues:

First, Hiram might tell us incorrect information. If he is honest and everything he said was correct, purchasing department's behavior considered as an unethical and illegal. In law and business, those kinds of transaction called a bribe.

**Stakeholders**

There are many stakeholders in this case. Neha Kumar is one of the most important stakeholders. Also, Hiram and I consider as stakeholders. Management and owners are considered as stakeholders in the Crybaby Dolls, Inc. In this case, Calumet City Office Machines is a stakeholder as well.

**Alternatives**

1. Verify to ensure what Hiram told me was accurate and correct.
2. Believe Hiram and confront Kumar in front of all employees.
3. Inform the management and owners about everything that Hiram told me.

**Impact of each alternative on stakeholders**

In the first alternative, it is essential to make sure that Hiram told the truth. He might be lying to me to serve some personal interests. I can’t completely rely on what he told me because that might lead to a bigger issue. Therefore, it is better for me to verify if what Hiram said was real or not. This alternative helps us not to embarrass Neha Kumar and stay away from troubles.

In the second alternative, I should confront Kumar in front of everybody, so she gets terrified and admits the truth, so I save the company and be a hero. The downside of this option is Kumar can be emotionally hurt and might sue me for that.

The third option is that I should inform the management. The management has more authorities than I do, even though that I work at the internal control department and I might investigate on my own but informing them is better. If the management could prove that Kumar was involved in bribery, she would go to prison, and that will save the company from any future catastrophes.

**Make a Decision**

**Using Utility theory—**

The third alternative is the best option for the stakeholders. I should inform the management and owners so they can deal with Kumar. Kumar might be sent to prison. In fact, informing the management will prevent any future bribe. Also, this alternative will save our company and I from any potential problems as well demonstrating the effectiveness of the internal control system in the company. Calumet City Office Machines will stop offering vacations to the purchasing department.