You are a newly appointed chief manager of the South Australian Bank of Fortitude. You have had an illustrious career as underwriting manager in the treasury of Melbourne-based Grunge Bank.

Shortly after your appointment to Fortitude, a large number of non-performing loans to property developers comes to your attention. The Bank of Fortitude is in a precarious position. You immediately bring the matter to the attention of your superiors. Nothing happens, so you write again explaining that the Bank must change course immediately if it is to survive. Again, no action is taken. You attempt to discuss the crisis in person with the CEO and the chairman of the board, but the CEO listens in silence and the chairman is on holiday in the Bahamas.

You understand that if news of the precarious situation of the Bank got out, any chance of rescuing it would probably be gone. It is clear to you that those who understand the situation and have done nothing will not do anything now; that the funds of investors, depositors and creditors will be lost if urgent action is not taken; that the economy of South Australia will be damaged if the Bank goes under; and that the bank can still be rescued if the crisis is dealt with.

Is there an ethical issue here that you should deal with?

What courses of action should you be considering in the light of your situation?

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