

Dilemma: Right vs. Right

Getting Medicine to Bosnia: Acceptable Bribery?

As chief legal officer in a well-respected company making lifesaving drugs, Alistair had been asked by his board of directors to look into rumors of price-fixing in the firm's European offices. His board had a very strong ethics policy, and was especially wary of price-fixing, bribery, kick-backs, and other unethical activities that can plague overseas operations.

After several months of detailed interviews in Europe, Alistair satisfied himself that the rumors were groundless. As one of the European managers said, "There's no issue here." But, he added, "if you really want something to investigate, look into the Bosnia contract."

Over the months, Alistair kept hearing about "the Bosnia contract." So when he had finished his report on the price-fixing rumors, he decided to satisfy his curiosity on the other matter. The contract, he discovered, had been ordinary in almost every respect: A major relief organization had contracted with his company to supply a million inexpensive kits of medicine for delivery into the war-torn regions of Bosnia. Like most such contracts with charitable organizations, it contained hardly any profit for his firm.

What he found strange, however, was the payment of an extraordinarily large commission to a Romanian distributor to deliver the kits deep into Bosnia. Seeking out the executive in his own firm who had negotiated the contract, he had one question in mind: Was this a bribe?.

Yes and no, said the executive. According to the Romanian distributor, the backs of the delivery trucks were loaded with the kits — and the glove compartments were stuffed with cash. That way, when the drivers were stopped at roadblocks set up by local militia units operating all across Bosnia, they could pay whatever was demanded and continue their journey. In the past, he noted, drivers without cash had been taken from their trucks and shot. If the kits were to be delivered, this was a cost of doing business.

Alistair felt sure that none of the money had flowed back to the executive, whose only motive was to get the kits delivered. And by this time, the deliveries had already been made. Yet Alistair still faced a dilemma. Should he draft a separate report to the board on this most unorthodox contract — possibly causing great harm to the executive who had negotiated it or embarrassment to the relief organization, which was aware of the commission? Or should he keep silent?

Analysis

Everything in Alistair's background with his company told him that this contract was not the way to do business. Bribery, he knew, was simply unacceptable to the board, who felt strongly that once that barrier was breached, there would be no stopping the shakedowns in the future.

But everything in his makeup as a compassionate being told him that providing medicine for the wounded was of overriding importance, and that the normal ethic of commerce didn't apply in a war zone.

What should Alistair do?

Note: This and other dilemmas on this site come to you without their real-life resolutions. We encourage you to think for yourself about how you might resolve them, since the nature of each dilemma is highly individualistic. In sharing these dilemmas, we do not endorse them in any way, but rather offer them for your consideration.

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