Can Ethical Business Behavior Be Legislated?

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By

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Abstract

Throughout the history of the United States, there have been landmark business laws established with the intent to shape business practices and procedures in a way that we as a country deem ethical. In this paper I discuss some of the most important landmark acts passed by U.S. lawmakers in order to establish standards for ethical business practices and values that we strive to maintain and improve upon in corporate America today. My research question is, "Can ethical business behavior be legislated?" There are five dominant themes that emerge from this study. First, it is often a corporate scandal or a detrimental business faux pas that catches the attention of the media or citizen groups that creates an urgent outcry for government regulation. Second, a new law may also be created due to loopholes in an existing law that require specification and tightening through the establishment of a new law. Third, the fast-paced business environment of the United States requires new laws over time in order to remain relevant with the development of new aspects of business or the growth of a certain industry or innovation. Fourth, the support and awareness provided by organizations, associations and federal agencies of these landmark laws is crucial to the continued compliance by companies. Last, it is because of the human condition that legislation will always be needed to guide fair and honest business practices in companies.
Introduction

Due to the growing and always changing business environment, having standards for fair and honest business practices are crucial to the economic, political, and humanitarian successes of the United States. The establishment of United States landmark business laws has developed the high standards set for ethical business practices in corporations today.

After extensive research I have identified some of the most impactful business “landmark” laws that have been passed by the United States government over the last one hundred years in an effort to guide the behavior of U.S. corporations. These laws play an important role in drawing the line between ethical and unethical behavior. While there are laws that some people may find unethical, the intent of these laws in general is to establish a moral compass that we as a people expect our business leaders and favorite companies to live by. After selecting a representative sample of landmark laws that impact different aspects of corporate behavior, I sought to have a better understanding of how effective each law has been over time in being a crucial step toward improved ethics in the workplace.

The law provides a type of moral compass for the people of the United States to act by, and to gauge others actions by. Throughout the history of the United States, landmark business law cases have been established with the hope of shaping the behavior we as a country deem fair and acceptable. The Merriam-Webster Dictionary (2013) defines ethics as “the discipline dealing with what is good and bad and with moral duty and obligation.” Most would agree that the purpose of these laws is in fact to make clear those behaviors that we as a nation believe are “right.” The laws aim to protect and serve all Americans, to be intolerant of discrimination and seek the truth in order to bring justice to any and all situations. Business law sets the standards
necessary for employers, employees, investors, consumers and stakeholders at large to thrive in a fair and ethical work environment.

While researching the different laws' effects and outcomes on the U.S. business environment, I was careful to analyze information from a wide variety of sources that might take into account institutional bias or prejudice. All sources, the majority of which were found online, come from sites that are generally regarded as fair and accurate and widely trusted across the nation. I also consulted government sponsored websites, as well as influential, well-known public and private organizations and associations whose goals are to foster corporate social responsibility and who support the growing demand for ethical business behavior. The facts and information discussed surrounding widely reported corporate scandals were attained from reputable news articles and reports. Government websites were used to summarize federal acts, and associations' and organizations' website information was also used as a resource in describing the laws.

What follows is an examination of various laws that have been enacted by our government in six distinct areas: Financial Misrepresentation, Information Security, Employee Privacy, Antitrust Laws, Environment Protection and Labor Rights and Working Conditions. The correlating laws in each of these areas are summarized, the business environment before the enactment of each law is stated, and the effect on American business practices and principles is discussed. Corporate scandals involving many U.S. companies throughout business history are also examined in correlation with the establishment of these impactful laws. Following the discourse of these six areas of landmark laws I discuss the dominant and overarching themes that summarize the findings of my research.
Financial Misrepresentation

Corporate scandals involving money and more specifically, the deliberate manipulation of financial figures, has long been in the news. Between the years of 2000 and 2002, corporate accounting scandals became more common than ever before when a list of supposedly successful corporations were discovered to be committing financial fraud. In fact, Forbes published an article in August of 2002 discussing the “avalanche” of such scandals that stunned the market and made major headlines in this country and around the world (Patsuris, 2002). The article lists 22 different corporations that got caught committing financial blunders that were made public during the span of just over two years.

Many of these scandals were displayed in newspaper headlines and on news outlets across the nation, and caused tremendous uproar among the working public. Reputations of a number of Fortune 500 companies plummeted due to the disgust and disappointment felt by consumers and shareholders in general, and some corporations were financially ruined. Xerox, Enron, Arthur Andersen, WorldCom, Adelphia Communications, and Bristol-Myers Squibb are among those corporations that committed some of the largest accounting scandals between June of 2000 (Xerox) and July of 2002 (Bristol-Myers Squibb).

During those two action-packed years, the frequency in which financial figures were manipulated with the knowledge and often times at the suggestion of company executives was alarming to most Americans. As a result, the Sarbanes-Oxley Act was passed in 2002, making a powerful statement in the world of business by instituting significant changes to corporate accounting practices.
The Sarbanes-Oxley Act of 2002

Sarbanes-Oxley has a total of eleven sections, but five of those sections are widely considered to be the most crucial in terms of compliance with the law. These specific sections are titles 302, 401, 404, 409, 802. Title 906 is also an important section as it provides the criminal consequences charged to unethical participants. In the following paragraphs I will provide a brief summary of each title relating to the compliance requirements companies are charged with in the hopes of preventing future accounting fraud (Addison-Hewitt Associates, 2006).

- **Section 302**: Sets requirements for periodic statutory finance reports, which demands signing officers to review reports, affirm that all information stated on financial reports is accurate and not considered misleading in any way. This section holds signing officers accountable for any deficiencies with internal controls that may exist, and demands that the information used and the process in which figures were computed is accurate and honest.

- **Section 401**: States that published financial statements must not only be accurate, but presented clearly to readers so there are no misunderstandings about the information that is being displayed.

- **Section 404**: Requires certain information to be included in a company’s annual report. The information that must be shared concerns the accurate and honest process of the internal controls that created the financial report. Internal control structures are also held accountable, requiring creators to attest to and discuss the effectiveness and accuracy of the report.
• Section 409: Companies are required to inform the public in urgent situations of any changes affecting its financial position or inner workings, and must be done so in a clear manner for all to understand.
• Section 802: Provides consequences that the unlawful will have to face if there is any altering, destroying or falsifying of any records, documents or physical evidence that would influence an investigation in any way. Those that disobey will be faced with fines, along with the possibility of up to 20 years in prison. Accountants face up to 10 years of imprisonment and fines if there is a known and deliberate violation in the requirements of maintenance of all audited or reviewed materials for a length of five years.
• Section 906: Provides criminal consequences for executive officers that certify a misleading or fraudulent financial report. Penalties include $5 million fines and 20 years in prison. Company reports containing financial statements must be validated by the CEO and CFO (or the equivalent) through the attachment of a written statement stating they are in full compliance of Sarbanes-Oxley and the report fairly represents the financial state and results of the organization.

As is clearly stated, Sarbanes-Oxley holds high-level executives and those who write financial reports accountable for the process in which monetary figures for the company are reached, how they are displayed, and what information is shared with the public. With the establishment of Sarbanes-Oxley, the costly penalties and hard-hitting consequences executive officers and accountants face if caught in the future are made clear to any and all in those positions. It took the discovery of these fraudulent behaviors for U.S. lawmakers to realize the need for the guidelines, which Sarbanes-Oxley provides.
Leading up to Sarbanes-Oxley

Prior to the year 2002, high-level executives had more leniency in reporting financial figures because there weren’t as many checks and balances placed on the CEO or other high-level executive officers within the company to ensure accuracy. The biggest issue with the business environment prior to the enactment of Sarbanes-Oxley was the lack of accountability and accounting requirements placed on corporations.

The founders of WorldCom and Adelphia Communications took advantage of the lax guidelines by inflating and overstating revenues, and the founders of Adelphia Communications collected $3.1 billion in off-balance-sheet loans backed by the company. WorldCom founder Bernard Ebbers took an estimated $400 million in off-the-book loans while the organization was $41 billion dollars in debt (Patsuris, 2002). Not only did top executives walk away with billions of dollars while they ruined the companies and the stockholders they were supposed to represent, but also prior to this time they were getting away with falsely reporting financial numbers and cheating their way into huge bonuses year after year.

In late November of 2001, the Securities Exchange Commission, while working on an investigation regarding Enron, decided to expand their inquiry to include the auditing company Arthur Andersen. Andersen CEO admitted in court in late December of that year that his firm had in fact identified “possible illegal acts” committed by Enron (Andrejczak & Morcroft, 2001). Looking forward it turns out that Arthur Andersen had begun shredding documents related to their work done with Enron after the SEC began their investigation. Enron fraudulently boosted their profits while revealing debt of over $1 billion, unlawfully manipulated the Texas power market and California energy market, and bribed foreign governments to help them win contracts
abroad (Patsuris, 2002). These unethical and fraudulent actions don’t even touch on the thousands of jobs lost, all of the families affected and lives left in financial ruin. Nearly 5,000 Enron employees were laid off the day after the company filed for bankruptcy. Enron canceled all health and medical insurance plans and sent each employee away with a measly $4,500 worth of severance pay (Paulsen, 2002). These disgraceful actions showed a complete disregard for the employees who built the company and were undertaken by well-respected industry leaders who were greedy and felt they were above the law.

The changes that developed in the business environment across America after the institution of Sarbanes-Oxley reflected a greater respect for compliance within organizations, as well as a redefined and expected fiduciary duty to stakeholders (Michelson & Stryker, 2008). It is hard to say whether such disgraceful actions would have taken place if stricter laws had already been in place prior to 2000. The aim of this law is to create accountability for issuing officers of financial reports and also to create more awareness, drawing attention to the fact that corporations have a duty to inform the public of its true financial standpoint in the market. The importance of this honesty among accountants and executive officers when displaying the profitability of their companies needed to be brought to the attention of the nation’s business professionals, not only for the good and fairness of the U.S. marketplace, but in order to keep ethics in business.

Information Security

With the massive growth of technology and pervasive use of the Internet in the last decade, the issues of individuals’ privacy online and the storage of sensitive personal information have attracted the attention of people everywhere, and rightfully so. As malicious hackers and
phishing techniques become more advanced and widespread, it becomes even more important to protect information that is entered and shared online, especially sensitive personal data.

It seems every other day we read about confidential information being hacked into, and it's not just businesses that are being targeted. Several departments within the federal government have admitted such unwelcome activity as well. There have been some notable efforts by the government in an attempt to not only keep up with those who would steal sensitive information, but to be proactive in an effort to enhance the safety of personal information stored online.

There are three landmark laws that have been established throughout U.S. history in an attempt to keep up with technological advancements and they are discussed next: the Privacy Act of 1974, the Electronic Communications Privacy Act (ECPA) of 1986 and the Federal Information Security Management Act (FISMA) of 2002.

The Privacy Act of 1974

The realization for the need of the Privacy Act of 1974 came about due to widely held concerns that the creation of computerized information databases could have a potentially devastating impact on individuals' privacy rights. This law created four procedural and substantive rights in retaining personal data, and basically tells government agencies and individual employers what they can and cannot do with personal data.

First, the act requires government agencies to show individuals any records that are kept on them. Second, fair information practices have to be followed when gathering and dealing with personal information. Third, restrictions are placed on how agencies are able to share personal
data with others, and fourth, the act allows individuals to sue the government for violating these provisions ("Introduction to Privacy Act," n.d.).

All in all, the Privacy Act of 1974 disallows the federal government to disclose any personal information without an individual’s consent, except in instances relating to law enforcement, census obligations, and situations where the government feels it necessary ("Privacy Act of 1974," 2006).

**The Electronic Communications Privacy Act of 1986**

A little over one decade later, in 1986 the Electronic Communications Privacy Act (ECPA) was passed in order to assure consumers that their personal data would remain electronically confidential. The ECPA specified and increased standards set for federal wiretapping and electronic eavesdropping through wire communication (phone calls) and oral communication (any oral conversation in person where a third party is not expected to be listening). Individuals that violate the standards set by ECPA can be charged with a $250,000 fine and face up to 5 years in jail ("Electronic Communications Privacy Act," n.d.).

**The Federal Information Security Management Act of 2002**

The increasing use and sheer number of electronic devices made it clear that the law had more work to do to ensure the ethical use of online information. Nearly three decades after the establishment of the Privacy Act, in 2002 the Federal Information Security Management Act (FISMA) was passed as Title III of the E-Government Act, and it requires federal agencies to institute an agency-wide program providing policies and processes regarding the storage, mobility and removal of proprietary company information. Security awareness training required
of personnel, periodic assessments of risk, plans and procedures for identifying risk, reporting breaches in information security, and many more steps taken by IT departments for federal agencies must be made in order to protect the security of citizens under FISMA ("FISMA Detailed Overview," 2012).

With the institution of FISMA, corporate standards were raised for providing useful information to employees regarding the safety of company information, and thereby protecting the private information of citizens. As a symptom of this new requirement, awareness of the importance of taking precautions to protect information transmitted and stored online has made those who work for federal institutions more aware of these issues. This awareness provides a type of ripple effect alerting others to the increased standard of privacy online.

Employee Privacy

While FISMA provides valuable and necessary awareness to federal companies and their employees showing the importance of information security at work, there are few federal or state laws that deal directly with the issue of employee privacy rights within a company. J.J. Keller & Associates (2012) states there is recognition by the court to an employee’s common law right to privacy, but the possible invasion of privacy posed on employees is not addressed. The employee’s right to “common law” refers to decisions the court makes, which are based on a “reasonableness” standard developed from past similar rulings in past similar cases. This means that the court weighs the legitimate business interests of the employer against the employee’s common law right to privacy. Therefore, the majority of the power lies with the business, giving corporations the flexibility to fulfill necessary business requests for the most part as they see fit,
for example, to prevent identity theft or maintain a safe work environment (C. Cohen & M. Cohen, 2007).

When employees seek to invoke their right to privacy in the workplace, they may cite the first and fourth amendments under the United States Constitution, protecting free speech and against unreasonable searches, or the Privacy Act of 1974, restricting the disclosure of information by government agencies. However, since the first and fourth Amendments protect against government intrusion, employees who work for public organizations benefit from a greater right to privacy than those who work for private employers (J.J. Keller & Associates, 2012). The Privacy Act of 1974 is not imposed on private employers either, and while the Electronic Communications Privacy Act restricts access to personal electronic data, it does not protect the access to and monitoring capabilities on systems that an employer owns, including emails under a company account, phone calls and voicemails. Some protection is given to the employee under the ECPA because of the requirement placed on employers to give notice when intercepting a phone call in progress, and having to receive voluntary consent from an employee when accessing stored information on personally owned business devices, such as cell phones.

It is clear that at the present time there are few legal restrictions placed on companies when it comes to the leeway they are given regarding the privacy of its employees. Therefore, it is likely when charges are brought about that an organization will be able to prove a business purpose for what may be considered an invasion of employee privacy. Some people would argue that this is a dangerous environment for employees. Those in favor of the current situation argue that as long as companies provide notice of monitoring times that can occur, and give employees detailed instruction on business policies identifying company property and knowledge, the
information passed and actions conducted by employees on company time and using company resources are matters an organization has a right to know about.

The Telephone Records and Privacy Protection Act of 2006

The most publicized and prominent example of a corporation spying on its employees took place in 2006, when the Hewlett-Packard Company’s reputation became tarnished due to unethical decisions made by then Chairman Patricia Dunn. With the approval of then CEO Mark Hurd, Dunn hired private detectives to spy on members of the company’s board, as well as on reporters from sources like the Wall Street Journal and CNET. The reason given for such a privacy infringement was that HP managers were searching for the source of a suspected boardroom leak. Investigators followed their victims and eavesdropped on their conversations. In order to gather private phone records belonging to the reporters and board directors, HP investigators called telephone companies pretending to be the victims, which is a practice known as pretexting, and was not illegal at the time (Sullivan, 2006). Dunn eventually resigned and Hurd got a stern talking to by lawmakers before replacing Dunn as chairman.

Following this widely reported pretexting scandal at the hands of a successful and previously honorable company’s corporate leaders, a new sense of urgency developed among the U.S. public and government to criminalize future incidents of extensive manipulation and deceit. On January 16, 2007, CNET News staff writer Anne Broache, a news source from which several reporters were victims in the HP scandal, published an article: "President Signs Pretexting Bill into Law." Under the Bush administration, the Telephone Records and Privacy Protection Act of 2006 was passed, banning pretexting ("to buy, sell or obtain personal phone records"), except when conducted by law enforcement or intelligence agencies. Pretexting became a federal crime.
that could give up to 10 years in prison to any individual who impersonates another, or uses fraudulent tactics to coax telephone companies to provide confidential data about customers (Broache, 2007).

The establishment of the Telephone Records and Privacy Protection Act following the exposure of the unethical actions committed by HP’s executive members is a primary example of the correlation between the behaviors of executive officers of corporate America on the establishment of U.S. laws. It is an unfortunate reality in the majority of instances that lawmakers are unable to predict laws that are necessary to protect others from the unethical decisions and behaviors of corporate leaders.

**Antitrust Laws**

The first three areas discussed, Financial Misrepresentation, Information Security and Employee Privacy, represent areas where relatively recent laws have been enacted to regulate business practices. The next section, Antitrust Laws, is one that has a long history of government regulation.

There are three core antitrust laws that are listed by the Federal Trade Commission Bureau of Competition: the Sherman Antitrust Act, the Clayton Act and the Federal Trade Commission Act. From now and since the beginning when these landmark laws were enacted, courts have relied on these antitrust laws to protect competition procedures in the U.S. to benefit the consumer and ensure that businesses operate efficiently and fairly with one another and among competition.
The Sherman Antitrust Act of 1890

The Sherman Antitrust Act (commonly referred to as the Sherman Act), passed in 1890, was the first antitrust law to be established in the United States, and is a crucial landmark case in the history of U.S. business and the economy. Prior to the Sherman Act being passed, public opinion was strongly against the concentration of economic power in large businesses and in trusts, or monopolies. Along with oppressive business practices and monopolies were anti-competitive practices between companies, and artificial pricing procedures that harmed consumers ("Sherman Anti-Trust Act of 1890," 2008).

The Sherman Act provides that every contract in the form of a trust or conspiracy, or that puts restraints on trade or commerce within the United States or with international businesses is illegal. The act also states that monopolies or attempted monopolies of any part of U.S. trade or commerce nationally or internationally will be charged as a felony. The Sherman Act contains two sections, first forbidding trust contracts or any form of conspiracy that restrain interstate or international trade. Second, the Sherman Act prohibits even attempted monopolizing, and sets punishments at a maximum fine of $50,000 and up to one year in jail ("The Antitrust Laws," 2008).

The Clayton Act of 1914

The outcome of The Sherman Act enabled government attorneys and district courts to investigate suspected trusts, as well as to pursue any companies suspected of participating in or developing monopolies. Another outcome of the Sherman Act, which took place only years after its enactment, was the passage of the Clayton Act in 1914, which had the purpose of solidifying
and specifying areas of the Sherman Act that were commonly thought to be too general, including mergers and interlocking directorates (the practice of corporate board directors serving on boards for multiple companies). The Clayton Act identified the following four trading practices to be illegal but not criminal: price discrimination, tying and exclusive-dealing contracts, corporate mergers and interlocking directorates (“The Antitrust Laws,” 2008).

The Federal Trade Commission Act of 1914

In 1914 the Federal Trade Commission (FTC) was established through the passing of the Federal Trade Commission Act, directing the FTC to enforce federal antitrust, competition and consumer protection laws (“Management Overview,” 2007). More specifically, the act allows consumers and the trade market to be protected from restraint of trade and monopolies, which create an unfair trading environment for the United States, causing a detrimental effect on the economy (“Legal Resources,” 2011). This marked the beginning of a series of laws that would be passed to regulate American businesses.

Prior to the Federal Trade Commission Act, unfair methods of competition could not be prevented, nor could investigations be conducted on unfair trade practices. Due to the increase of industrialization at the time, the market expanded and productivity was high. During this time competition increased, and institutions would make mutual agreements with one another to fix prices and control the output in the market, also known as cartels. From these agreements grew trusts, and great power was given to just a few people involved. These trusts, with the help of the people behind them, could fix market prices at any rate, enabling these few to edge out new business competitors by arranging prices that were favorable to their products, making other businesses unprofitable and eventually nonexistent.
The Proliferation of Antitrust Laws

Since the establishment of the Federal Trade Commission in 1914, there has been continual effort put forth by the government to pass further legislative acts making it more difficult to control trade, and also to increase awareness that it is intolerable for businesses to participate in unfair competition practices. In 1936 Congress passed the Robinson-Patman Act with the goal of specifying the bans on price discrimination established by the Clayton Act earlier in the century. This gave smaller organizations a fighting chance to survive in the market with competitors. In 1937 because of the economic downturn, the Roosevelt administration began a large investigation into monopolies, and as a result more than 80 antitrust lawsuits were brought on in the year 1940. Then in 1950 Congress passed another important antitrust regulatory law, the Celler-Kefauver Antimerger Act, which addressed loopholes left open for corporations to sidestep weak parts of the Clayton Act.

Google Under the Microscope

With the help of the acts noted above, the Federal Trade Commission’s first priority is to protect America’s consumers by preventing fraud, deception, and unfair business practices in the marketplace. In the early months of 2013, the FTC announced the results of an investigation that concerned speculations that Google may have manipulated search results to favor its products, which would make it harder for Google’s competitors to have their products displayed prominently on search results pages, giving Google an edge (Lohr, 2012). After nearly a two-year investigation into the way Google arranges its online search results, the FTC concluded that no antitrust or anti-competition statutes had been violated. Although the FTC felt no legal action was necessary to be taken against Google Inc., the company has settled with the federal agency
to change some business practices in order to ensure consumers are able to benefit from competition in the online marketplace and the wireless technology market (“Google Agrees to Change its Business Practices,” 2013).

The Federal Trade Commission was established in 1914, and has since prevented many cases of unfair methods of competition from taking place in the U.S. marketplace, protecting commerce. Additional consumer protection laws passed by Congress over the years have given the FTC the necessary ability to watch over the competitive practices being conducted by corporate leaders in America, striving for a fair and competitive business world.

Environment Protection

It wasn’t until the 1980’s when corporations were finally forced to take responsibility for their actions and discontinue the dumping of toxic waste and chemicals in ways and locations that posed a danger to harming humans and the environment. Before the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) was passed in 1980, there was no controllable way for the government to require companies or individuals to clean up abandoned business sites or hazardous waste. There was very little regulation of hazardous waste management and recycling prior to 1980, and corporations took advantage of the fact that there were no threatening consequences to be had for dumping life-threatening waste in the open outdoors (Barnard, Burke, Clark, Deveau, & Terp, 2010).

The Comprehensive Environmental Response, Compensation and Liability Act of 1980

CERCLA, commonly known as the Superfund, created a tax on the chemical and petroleum industries and gave the government authority to respond to releases or suspected
releases of any hazardous substances that could possibly endanger the health of others or the environment. Following the establishment of CERCLA, in five years $1.6 billion was collected, the taxes from which went toward a fund (the Superfund) used to clean up any hazardous waste sites that had been abandoned ("CERCLA Overview," 2011).

The act provides requirements related to closed and abandoned hazardous waste sites, and charges those responsible for releasing hazardous waste into a site, creating liability for companies or individual parties that do not comply with the two options of authorized waste response actions defined by CERCLA. The trust fund that this act established makes cleanup and a safer environment possible when no party could be identified as responsible.

**BP Oil Spill in 2010**

Following the enactment of CERCLA, the government was able to take a greater and more demanding presence in protecting the environment from contamination in any way, and if a catastrophe could not be prevented, then at least those responsible would be held accountable.

On April 20th, 2010, an environmental nightmare took shape when a BP-operated drilling rig, owned by Transocean Ltd., exploded, killing 11 workers and unleashing what would be a total of 4.9 million barrels of oil into the Gulf of Mexico. By the time BP was able to stop the leak on July 15, it had been 85 days since the explosion. The cause of the explosion proved to be the result of improperly conducting pressure tests on the oil well that would have otherwise shown warning signs of a possible explosion. Because of the CERCLA, BP and Transocean Ltd. were held responsible by law for the damages caused to the Gulf due to the negligent practices of their employees. In November of 2012, BP was charged with paying $4.5 billion in fines (Krauss...
This money has been instrumental in the redevelopment of the damaged coastline and the many industries that existed and depended on the health of the natural resources present in the Gulf.

The government took even more aggressive action as a result of this event. Shortly following the devastating explosion causing what was arguably an insurmountable amount of oil leakage into the Gulf, the White House took preventative legal measures in May of 2010, just one month after the accident. The Department of the Interior demanded a moratorium, or a temporary prohibition, of deepwater drilling in the Gulf of Mexico. They wanted to use this time to inspect current drilling practices and sites to ensure that other dangerous situations did not exist and threaten the environment. The moratorium ended in October of the same year (DuBois, 2011).

More Government Regulations Follow

The following month, in September, the Interior Department issued two more regulations brought about as safety prevention measures following the accident. The new rules were two-fold, being a “drilling safety rule” and a “workplace safety rule.” The drilling safety rule places stricter standards on the use of drilling fluids, well-bore casing, and cementing in exploratory wells. This new requirement also requires oil-drilling companies to improve the effectiveness of blowout preventers, which are the big structures that can be seen coming out of the water, and are meant to seal the underwater wellheads (Banerjee, 2010). The workplace safety rule forces companies to rethink their action and response plans to disasters, such as explosions or spills, and develop realistic measures to be taken should an accident occur.
These safety precautions instituted in 2010 by the Department of the Interior at the request of the White House, and many more taken at the discretion of companies industry-wide, were put in place with the hopes of preventing future consequences that the Gulf of Mexico’s ecosystem, water supply, and nearby inhabitants had to endure. Again we see a situation where the law, in this case the CERCLA passed in 1980, was not enough to stop the possibility of environmental contamination in today’s world, but it did provide accountability and consequences. CERCLA set the expectation for those at fault that they would be held accountable by the government to right the wrong, and clean up the Gulf. The corporate social responsibility that the BP Company had to undertake in order to refurbish their tainted reputation following the effects of the spill was vital to any success the company would hope to have in the future.

The Impact of CERCLA

Overall, the establishment of CERCLA raised awareness that the disposal of dangerous substances into the environment was to be met with zero tolerance. CERCLA set a standard of accountability for all companies (McCory, 1999). They would have to take all measures available to prevent any hazardous dumping or contamination of the environment, and all unethical actions deserve consequences for the good of the people and our Earth. CERCLA made the statement to companies that it is smarter and more worth the firm’s time and resources to not only make ethical decisions, but to also be in compliance with the law. Because of this deterrence CERCLA created, companies that are involved in any type of toxic waste removal now think twice about how the waste produced is being removed, and how their actions affect the environment.
Labor Rights and Working Conditions

The rights of American workers and the conditions they can anticipate working in have long been the subjects of federal regulations. The Fair Labor Standards Act (FLSA) of 1938 is an important business law milestone for those working in the United States because of the groundwork it laid for worker wage standards and child labor restrictions. The FLSA gave workers the ability to earn a fair and reasonable living by setting a federal minimum wage pay for employers to abide by. It also curbed the ability of employers to take advantage of employees by overworking children under the age of 16, or assigning dangerous jobs to children under the age of 18. Under the FLSA basic overtime pay requirements are also defined as one and a half times the regular rate of pay ("The Fair Labor Standards Act," n.d.).

Today the Fair Labor Standards Act is the basis for which we expect companies to set their own fair wages, give adequate pay for employees working overtime, and to follow demands relating to the ethical employment of children. Before the establishment of this essential U.S. business act, workers were grossly underpaid with little to no restrictions placed on employers regarding the number of hours an employee could work in relation to the pay they received.

Sweatshop Conditions at Home and Abroad

Once again, we need only look around to see numerous cases that demonstrate businesses that chose not to comply with the requirements of the FLSA. Seventy years after FLSA enactment in 2012, employees working in Los Angeles factories of the popular young adult clothing store Forever 21 were identified as working in factory conditions similar to those seen in sweatshops (Hines, 2012). Merriam-Webster Dictionary defines a sweatshop as "a shop or
factory in which employees work for long hours at low wages and under unhealthy conditions” (2013). Conditions often include 60-80 hour workweeks and abusive working situations that employees are forced to endure.

The Department of Labor began an investigation in September of 2012 and subpoenaed Forever 21, ordering information from the company about employees’ working and overtime hours, as well as employee wage information. The investigation into Forever 21’s working conditions and wages is part of a broader mission taken on by the Department of Labor to better regulate California’s garment factories (Hines, 2012).

Looking at another major U.S. corporation’s recent history with employee rights, in September of 2012 a group of thirty Wal-Mart employees walked away from their jobs in a large warehouse in California and embarked upon a 50-mile march, walking the route the trucks they load take everyday. Other employees joined the protesters along the truck route in a combined effort to speak out against the poor working conditions endured each day. The purpose of this demonstration was to deliver a letter to Wal-Mart executives outlining the dangerous and abusive environments employees were forced to work under: working in 120-degree heat, without regular breaks, and physical harm caused to employees due to the excessive heat and pollutants in the air (Miles, 2012).

Are More Laws Needed?

This unsettling example of a well-known company within our nation knowingly subjecting employees to such intolerable working conditions is not unfamiliar news to the people of the United States as successful companies choose to ignore fair labor standards and take
advantage of employees both in working facilities on home soil and in foreign nations. In the mid-1990’s, unethical working conditions and unfair compensation given by some of the nation’s favorite U.S. companies to workers abroad was discovered, opening the public’s eye to what decisions industry leaders were making just to get a profit. Household names Nike and Gap were among those discovered dodging U.S. fair labor laws by manufacturing products overseas in order to save money and increase product output at the expense of foreign workers ("Sweatshops," n.d.).

While the Fair Labor Standards Act is required to be enforced in corporations around the country, there are still executives in the businesses of our nation who are far enough removed from the reality of the livelihood of its workers that they are able to make unethical decisions greatly impacting the lives of employees (Coil & Boyd, 1996). While this act has yet to fully extinguish such detrimental working conditions as those in sweatshops, it provides a very necessary and fair standard toward employees’ rights to fair wages and overtime pay, and the law gives credence to public outcry over what it sees as unacceptable business practices.

**Public Outrage Leads to Increasing Scrutiny of Sweatshops**

On January 26, 2000, Steven Greenhouse of the *New York Times* published an article that described an anti-sweatshop movement that was gaining recognition in the United States. Vocal protesting from anti-sweatshop activists was making it increasingly difficult for corporations that had been known to sign off on product manufacturing in sweatshop factories overseas. Labor and human rights organizations, church and consumer groups, as well as a large grouping of students ranging from middle school to college insisted that companies spend time and resources to improve the working conditions of employees in factories overseas (Dyke, Dixon, & Carlon,
Increasing the minimum working age, reducing working hours and eliminating the use of toxic chemicals in products are a few of the ways that U.S. companies are feeling pressure to improve the working conditions occurring abroad.

Moving forward 12 years, on November 25, 2012, Stephanie Clifford of the *New York Times* prints an article related to the use of U.S.-employed sweatshops overseas, but this time the article is to report the death of approximately 112 people in a garment factory fire in Dhaka, Bangladesh. According to an anti-sweatshop advocacy group from Amsterdam, known as the Clean Clothes Campaign, more than 500 Bangladeshi workers had died in factory fires between the years 2006 and 2012. It has been said by experts that the majority of these fires could have been avoided if the factories had been required to follow safety procedures. Similar to the article printed 12 years prior, human rights activists and fair labor supporters demanded the need for companies to take responsibility for the working conditions they subject human lives to by not enforcing safety precautions and abusing employee labor rights.

The ongoing discussion between anti-sweatshop progression and the actual use of sweatshops by U.S. companies overseas came full circle in early December of the same year, 2012, when the *New York Times* again visited the “safety gap” in the supply chain between U.S. companies and international suppliers. The article refers to the relatively recent and devastating fire in Bangladesh discussed above, and confirms readers’ suspicions that U.S. companies Wal-Mart and Sears were among labels on the garments being made in the Tazreen Fashions factory when it went up in flames. After the fire, Wal-Mart and Sears’ executives claimed they were unaware Tazreen Fashions had even taken any orders from the companies. The clothing factory had been inspected and violations had been found during investigations conducted by Wal-Mart
previously, but the Tazreen factory continued to receive orders anyway despite faulty inspection rules (Yardley, 2012).

This renewed wave of media attention given to fair labor standards for employees on an international scale makes it hard to deny the divide that has been identified between the monitoring system of companies to ensure fair and safe work practices, and the actual work being produced in factories abroad.

The Fair Labor Association

The Fair Labor Association (FLA) was formed under the Bill Clinton administration in 1999 as a result of the shocking discovery of sweatshops being used in the footwear and apparel industries. A non-profit organization, the FLA is a joint effort between colleges and universities (such as Michigan State University and Michigan Tech), civil society organizations (including the Global Fairness Initiative and the National Consumers League) and socially responsible corporations (including the Adidas Group, American Eagle Outfitters, Inc. and Apple). The FLA offers aid to companies in finding effective solutions to labor issues, providing the resources and strategies necessary to improve compliance systems, assessments and finally the Third Party Complaint process, which offers any person, group or organization the opportunity to report any workers' rights violations in facilities that have committed to operate under the FLA’s labor standards (“About the Fair Labor Association,” n.d.).

The development of the FLA is a link in the process taken to continuously improve upon and maintain standards in the workplace. The work of the FLA holds great value, and people listen to what this organization has to say about the business practices of our favorite U.S.
corporations. In late March 2012, the Fair Labor Association released a report with the findings of its investigation conducted on Apple manufacturer Foxconn Technology Group, which was carried out in order to uncover allegations made regarding the working conditions of three of Foxconn’s Chinese factories (Caulfield, 2012). The FLA’s report uncovered significant violations of Chinese labor laws, including excessive overtime requirements, health hazards and safety issues. Because of Apple’s relationship with the Fair Labor Association, Apple has been given two years to correct unsafe or unfair supply chain conduct according to FLA standards, and Foxconn has agreed to meet legal demands by July 1, 2013 (Pepitone, 2012). This is one recent example of the support and enforced compliance the Fair Labor Association provides to already established workplace laws.

There seems to be a vicious cycle surrounding the issue America has between unsafe and unfair working conditions overseas, and it should be noted that the Fair Labor Association does not consistently attain certification that U.S. companies are selecting suppliers that maintain safe working conditions. It is alleged by most corporate leaders who are put under scrutiny due to unethical scandals that they are unaware of the dire mistreatment workers are subjected to in facilities that the company is outsourcing to. Regardless, corporate leaders must feel a greater sense of duty and responsibility in their positions to seek out reliable information regarding the working conditions they are involved with in foreign countries (Fee & Brown, 2005).

The combined efforts of associations, organizations and movements are all sparked by the public’s values and are necessary to continue making improvements on standards involving business ethics. These laws, while fundamental in their existence, are not the be-all and end-all of unethical behavior in corporations. The United States needs groups like the Fair Labor
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Association and the Occupational Safety and Health Administration to provide fluidity to acts passed that the law cannot provide quickly or efficiently enough in dealing with the ever-changing environment of the marketplace and competition.

The Occupational Safety and Health Act of 1970

With the passing of the Occupational Safety and Health Act (OSHA) in 1970, regulations requiring certain safety and health standards were declared with the important goal of improving dangerous work conditions for employees. The act charges employers with the responsibility to ensure worker and workplace safety by providing employees with a safe work environment free from identified, serious hazards ("OSH Act of 1970," n.d.). Employers had to begin paying attention to any possible hazards that could affect employees’ safety and health conditions, and could no longer ignore the human side of operations.

Before this landmark act became the law, dangerous and even fatal working conditions involving toxic chemicals, dangerous tasks or working excessively long hours in a week were common and took thousands of workers’ lives. Worker injuries and illnesses brought on by working conditions were for the most part ignored by employers, only attesting to the cruelty of these unethical environments employers forced employees to work in. With the establishment of OSHA, changes would be made to provide employees with legal rights in an effort to improve the treatment of workers in the United States (Mundy, 2005).

Evolution of the Law to Improve Working Conditions Everywhere

Looking back over the 20th century in America, sweatshops were widespread, and the organization of trade unions and the enactment of U.S. laws addressing minimum wage and child
labor issues, as well as concern for the health and safety of workers, were put into place. During the 1990’s, however, a resurgence of sweatshop awareness escalated in the United States, shifting the focus to workers’ rights overseas, especially in developing countries (Jiang, Talluri, & Yao, 2012). This realization that sparked a stand taken by the American people against exploiting workers came about largely due to exposure from the media. Large U.S. corporations were seemingly approving the use of sweatshop factories abroad, and the garment and footwear industries received the majority of this unwanted attention.

**Nike in the News**

During the mid-1990’s, one well-known and extremely successful U.S. corporation, Nike, began receiving harsh criticism from human rights and labor organizations, as well as the general public, following the unexpected and unplanned release of an inspection report prepared by prominent accounting firm Ernst & Young in January of 1997. Nike had no choice but to publicly address the allegations, and convince the world that the company does look out for the best interests of its workers overseas.

The report stated that employees at a work site in Vietnam, which at the time was under the management of a Korean subcontractor, were required to work 65 hours per week for $10 a week, which is not in compliance with Vietnam labor laws. In response to these allegations, Nike insisted that their internal monitoring system had previously uncovered the issues brought to light in the Ernst & Young report, and that they made improvements to reduce workers’ overtime hours, improve the safety and air ventilation in factories, and to reduce toxic chemical usage. The factory from which the telling inspection was based on was a recently opened factory, having been in operation producing Nike’s products for just 17 months when the report was issued.
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(Greenhouse, 1997). This fact, coupled with a similar assessment of abusive working demands and a dangerous working environment given by Nike’s own consultants, only added to the gravity of the labor rights issues overseas.

Present Day Improvements to OSHA

Focusing on the best interests of workers in the U.S., in late April of 2012 safety experts relayed information to the U.S. Senate based on a report investigated by the Government Accountability Office (GAO). The report concluded that the Occupational Safety and Health Administration (OSHA) process for approving new regulations was taking far too long as compared to other government agencies’ approval rates.

The pace OSHA used to react to change and take advantage of new opportunities for improvement on worker safety was an average of eight years to adopt new safety regulations. This time span for approving new regulations at OSHA was on average 50 percent longer than the Environmental Protection Agency, and twice as long as the Transportation Department. The frequency of false alarm reports, causing OSHA to be overly cautious when making final decisions about safety laws, as well as increased procedural requirements, frequent shifting of priorities, and a higher standard placed on OSHA in the judicial review process were all reasons given in the report for OSHA’s lengthy delays in passing regulations that are needed to protect workers’ lives (Hananel, 2012).

The GAO’s report also identified ideas and provided suggestions where OSHA can improve its standard-setting process. It urged OSHA to take input and leverage resources from other federal agencies, to impose statutory deadlines to prioritize the issuance of standards and to
develop a priority-setting process. It also made changes to the regulatory process, making it less burdensome (and time consuming) and more consistent with other federal regulatory agencies ("GAO says OSHA takes too long," 2012).

An Example of How Public Scrutiny Improves Existing Laws

Following the release of this report by the Government Accountability Office, OSHA will now be under the watchful eye of the government, corporations and the people of the United States to take steps toward improving the speed of its standard-setting process. The review of such an influential government administration is an extremely important link in a chain of events that takes place in order to ensure timely and necessary decisions are made in the best interest of each working individual of the U.S. Without the checks and balances approach that takes place with laws, corporations and associations, the legal actions affecting our business world would remain as they are, becoming outdated and useless (Gan, 2006).

With the help of dedicated and resilient labor and human rights organizations rooted in countries across the globe, as well as the continued expectation of consumers for corporate social responsibility, United States’ corporations will have to continue to improve labor standards and monitoring systems abroad, as well as maintain and continue to monitor employee rights at home. It is because of the Fair Labor Standards Act and Occupational Safety and Health Act that ethical workplace standards have been established within corporate America, and have grown to be a requirement not only of the law, but of the people of the United States as well.
Discussion of Dominant Themes

There are five dominant themes that emerge from this study. First, it is often a corporate scandal or detrimental business incident that catches the attention of the media or citizen groups that creates the need for government regulation. Second, the realization for a new law may also be created due to loopholes in an existing law that requires specification and tightening through the establishment of a new law. Third, the fast-paced business environment of the United States requires new laws to be established over time in order to remain relevant with the development of various aspects of business, or with the growth of a certain industry or innovation. Fourth, the support and awareness provided by organizations, associations and federal agencies of these landmark laws is crucial to the continued compliance by companies. Last, it is because of the human condition that legislation will always be needed to enforce fair and honest business practices in companies.

Throughout the history of these landmark business laws, it is very often a corporate scandal that highlights the need for a new law regulating a particular type of unfair or irresponsible business behavior. Since it is difficult to anticipate what avenues business leaders will take to become successful (whether a responsible route or a selfish route), the history of these standard-setting laws reveals it is quite common for laws to be created only after a problem presents itself to the nation at the hands of unethical corporate executives.

The establishment of the Sarbanes-Oxley Act in 2002 is a prime example of how corporate scandal can drive United States lawmakers into action. In the case of the business environment leading up to Sarbanes-Oxley, it was of course not one company deliberately manipulating financial figures, but many that committed the same fraudulent actions that ruined
the financial well-being of countless families and individuals that were affected by these companies irresponsible and greedy choices. Because of the exceptionally misleading and incorrect accounting practices carried out by numerous accountants with the approval and guidance of CEOs in companies across America (Forbes listed 22 businesses caught during the years 2000-2002), the outcry for stricter guidelines of company financial reports could not be ignored.

Prior to the enactment of the Telephone Records and Privacy Protection Act of 2006, pretexting was not illegal, and played an important part in Hewlett-Packard’s allowance of pretexting practices to be conducted on the company’s board members and various newspaper reporters by a hired team of investigators in 2006 (then CEO Mark Hurd had of course put his stamp of approval on Dunn’s game plan). The invasion of privacy, falsification of self-identity, and general deceit that this pretexting scandal produced, culminating in a ruined reputation for HP, created a sense of urgency and realization among the Bush administration that this needed to be prevented in the future. In the same year of HP’s pretexting scandal, the Telephone Records and Privacy Protection Act was passed in 2006 to criminalize and ban pretexting. It could be said that without the severe and shocking actions committed by such a well-known U.S. corporation, pretexting would not have gotten the legal attention required to put a stop to this manipulative and unethical business practice.

The BP oil spill in 2010 identified the need for further drilling safety measures to be put in place. The explosion that not only caused the oil leak, but killed 11 workers as well, happened because of negligence among the Transocean Ltd. drilling rig employees and management. Prior to the explosion, pressure tests on the oil well that would have identified warning signs of an
explosion were not conducted. This disregard for safety measures being taken on the BP-operated drilling rig is what caused the explosion ending workers' lives and damaging the Gulf of Mexico for years and years to come. It took this disastrous example of what could go wrong if oil companies are not conducting the proper tests and maintaining oversight of employees while drilling to establish further regulations protecting the safety of oilrig workers and our environment. These regulations came in the form of the "drilling safety rule" and "workplace safety rule" issued by the Interior Department of the United States.

The need for a business law can also be realized when companies have discovered and abused loopholes in an already existing law, allowing business executives to circumvent the requirements and triggering a sense of urgency among the government (and if enough media attention, the general public) to pass additional laws tightening up the rules of existing laws.

The creation of the new "workplace safety rule" and "drilling safety rule" that the BP oil spill created a need for shows the importance of additions, or enhancements, to laws over time in order to improve them and set higher standards for businesses. Not only did these legal precautions improve the safety of oilrig workers, but also provided an awareness among the oil industry that encouraged the improvement of drilling safety.

The passage of the Clayton Act in 1914 is another great example of an enhancement to an existing law that the government realized a need for due to concerning loopholes in the Sherman Antitrust Act. Since the Sherman Act was widely thought to be too general in respect to the areas of business mergers and interlocking directorates, the Clayton Act was created in order to assist the Sherman Act in solidifying illegal trading practices, including price discrimination, tying and exclusive-dealing contracts, mergers and interlocking directorates. With the enhancements
created by the Clayton Act, gaps in the Sherman Act that may have allowed for companies to
sneak through were closed, and together both laws are able to deter unfair trading practices.

Existing business laws may need to be amended or enhanced for other reasons besides
loopholes or abuse by companies. Changes in technology, our environment and business itself
often require the passage of new laws addressing these changes. In today’s fast-paced world
where there are industry-changing innovations being developed, various ideals and viewpoints
always evolving, and the idea that the world is shrinking due to technological developments and
globalization, it is easy to see how decade-old laws may lose relevance. There are certain
situations that have arisen throughout the history of these landmark business laws that require a
present-day look at the resources and capabilities that are available to corporations and the
country as time goes on.

The Privacy Act of 1974, the Electronic Communications Privacy Act of 1986 and the
Federal Information Security Management Act of 2002 are excellent examples of the need for
additional laws to be implemented even after online information security laws had previously
been passed, and it is because of the growth and capabilities of technology over time. The
creation of computerized information databases in the early 1970’s sparked concern among the
public regarding how individuals’ private information stored in these computerized databases
would be handled and, most importantly, kept private. All three of these acts address the need for
additional protection of online information as the abilities and usage of computers evolved
through the years, including the security of consumers’ information and of businesses proprietary
information.

The three antitrust laws discussed are also a strong example of how over time additional
laws were necessary in order to best protect the consumers and marketplace of the United States. The Sherman Antitrust Act of 1890 laid the groundwork for fair business and competitive practices, and a little over two decades later in 1914 the Federal Trade Commission Act was established, creating the Federal Trade Commission. These two laws that are vital to maintaining a fair and competitive marketplace through the growth of United States businesses demonstrate the great importance of necessary, updated legislation.

Just as laws require additions and enhancements over time due to the changing business environment, federal agencies that support and enforce laws also require a second look after a period of time in order to ensure the agency is still adding value and operating the way it was intended. The Government Accountability Office’s (GAO) report on the Occupational Safety and Health Administration (OSHA) demonstrates this necessity well. The GAO was able to identify weaknesses in OSHA’s standard-setting process and suggested ideas for improvement for the administration to decrease the amount of time it takes to react to change and approve new safety regulations. The findings of the GAO regarding OSHA’s effectiveness today is extremely important because of the great responsibility OSHA has to provide requirements to U.S. employers in order to protect the safety and health of workers across the country. Without recognizing the steps toward improvement that OSHA needs to take in order to be as successful as possible, this administration would not be able to continue its necessary work to protect the workers of America that the Occupational Safety and Health Act was established to accomplish over 40 years ago.

The role of federal agencies ensuring compliance by businesses is extremely important as noted above, and the role of citizen groups and organized associations across the country also
play a key role in monitoring American business practices and drawing attention to issues that may require legislative action. The Occupational Safety and Health Administration supporting the Occupational Safety and Health Act, as well as the Fair Labor Association supporting the Fair Labor Standards Act is great evidence of the fact that without the support and awareness created by federal agencies, associations or committees, the need for setting continual standards for fair treatment of workers may not be realized as frequently, and standards may not be set as high. It is with hope and great dedication to a more fair, ethical U.S. business environment that organizations stand up for what they know is right and demand action be taken by the government to stop worker abuse, such as the strong movement created against sweatshops in the 1990’s. It is with the help of federal agencies, associations and organizations worldwide supporting ethical behavior that support is given and change toward a more ethical world is demanded.

The final dominant theme realized from my research is that because of the natural human instinct and condition, business will always require legislative action to be taken in order to set guidelines for fair business practices (Hart, 2010). We know that from the earliest history of mankind there have always been, and always will be, people who have a strong need for status, power and privilege, and this is especially amplified for executives in the world of business. The proof of the strength of this natural human desire for wealth and power is demonstrated in the preceding business environments of the Fair Labor Standards Act, the Occupational Safety and Health Act and the Comprehensive Environmental Response, Compensation and Liability Act when both human lives and environmental well-being (affecting humans) were being abused and ruined prior to these standard-setting enactments. Given the human condition, there will always be business leaders who behave unethically at the cost of others to benefit themselves, and so
there will always be a need for government regulation of American business.

**Conclusion**

The business laws enacted by the U.S. government throughout the 19th century and into the turn of the 20th century have shaped the vision of the desired behavior and values to be represented and practiced consistently by corporations. The landmark business laws discussed here set basic standards for U.S. business practices and procedures, but in today's world with the globalization of industries, U.S. laws do not always offer the support needed to protect America's hardworking people from the unethical decisions of corporate leaders.

Establishing a business act will likely never be enough to put an end to the harm or endangerment of people and our world from the unethical behavior of others with power. Although the implementation of certain U.S. business laws strive to fully address and resolve an unfair or dishonest business practice or procedure, it is naïve to assume that they will take care of a problem for good. Laws have to be amended and added to. Committees and associations are needed to enforce certain requirements placed on corporations. This is where watchdog agencies come into play, and their work is invaluable in keeping corporate America on the right path. One encouraging note is that there have always been organized groups of individuals who are far enough removed from the politics of our global marketplace to stand up and demand what is right in business.

What is viewed as unethical behavior is constantly being challenged and it changes as the business world discovers newer and better ways to achieve desired results. This will no doubt always be the case. It is unfortunate that these improvements are often brought about after
unethical behavior has occurred, and innocent lives are drastically affected. It seems nearly impossible to be able to identify possible unethical situations that are widespread enough to require legal attention before they take place. It is also very likely that corporate leaders will continue to discover loopholes and alternate routes to achieve extreme profits, and that some of these practices will put workers’ lives in danger and abuse their rights.

The major landmark laws discussed throughout this paper represent crucial steps in laying the groundwork for a more fair and honest U.S. business environment that is needed in order to combat the most unethical behaviors and decisions that corporations have been known to commit. The amendments and creation of new laws, and the development of associations, federal agencies and organizations to protect and reinforce the corporate social responsibility of corporations are made to fit developments over time, loopholes, and the imaginations of those that are unethical. Over time these laws have changed the United States’, and the world’s’, view on the necessity of ethics in business, and as a citizen of this Earth, that is something to be thankful for.
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