



Playing BY THE Rules

ETHICS AT WORK

Undergraduate & Graduate Business School Episode Guide

Episode 1: The Whistleblower

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Episode 1: The Whistleblower Instructor Overview

Case Overview

In 2011, more than two years after Citigroup took \$45 billion in bailouts, Sherry Hunt was a vice president and chief underwriter at CitiMortgage in O'Fallon, Missouri. For years, Hunt had been witnessing what looked like fraud as the company bought and sold mortgage loans that did not meet Citi standards. After alerting senior management and being ignored, Hunt felt she had to take a stand. "The Whistleblower" follows Hunt as she navigates the challenging corporate culture and decides whom she should tell about the fraud, and how.

Media Utilization Tips

Ideally, instructors will assign the [full episode](#) (26 minutes) to students to watch in advance of the class, so that they may fully participate in the in-class discussion.

Link to view:

<https://www.wliw.org/programs/playing-rules-ethics-work/playing-rules-ethics-work-whistleblower/>

Key Moments: Instructors may choose to highlight key moments within the episode when Sherry Hunt was faced with a critical decision for students to pause and reflect on the episode. Below are the timestamps of three key decision-making moments:

- 5:45** - Sherry Hunt realizes that a large number of loans are fraudulent. How would you have reacted if you were in Sherry's position?
- 9:50** - Explain the possible outcomes of Richard Bowen's decision to warn Citi's leadership about the fraudulent activities?
- 15:09** - How would you have responded if your supervisors asked you to alter paperwork? What effect would this have on your peers and direct reports?

Reflection Questions: Instructors may also choose to provide students with reflection questions as they watch the episode. Examples of reflection questions include:

- *Describe the parties involved and their interests.*
- *Describe the key dilemma Sherry Hunt faced.*
- *What did Sherry stand to gain or lose from her decision?*
- *Describe the external factors which contributed to the situation at CitiMortgage.*
- *How might Sherry have acted differently if Richard Bowen had not been her supervisor?*

Key Takeaways

Here are some of the key themes in this episode:

- Corporate culture can play a significant role in setting the ethical climate of a workplace. While CitiMortgage had a climate conducive to unethical decision-making, Sherry Hunt had an ally in her manager, Richard Bowen, which empowered her to step forward.
- Stepping forward as a whistleblower comes with challenges and rewards. While there are some governmental protections in place for employees, navigating the decision to come forward requires weighing outcomes on all sides.

Supplemental Case Readings

The following articles provide additional information about the Sherry Hunt case. Instructors may use this as background reading to prepare to lead the class. Additionally, instructors may choose to assign one or more of the articles as supplemental reading.

- [Sherry Hunt Took On One of the World's Biggest Banks and Won](#) (*New York Magazine*, November 2016)
- [Why Sherry Hunt blew the whistle at CitiMortgage](#) (*St. Louis Post-Dispatch*, February 26, 2012)
- [How Citibank Dumped Lousy Mortgages on the Government](#) (*ProPublica*, February 16, 2012)

Episode 1: The Whistleblower Instructor Resources

Below is a suggested structure for class discussion and activities based on this episode. This structure assumes the instructor has assigned students to watch the episode prior to class.

Class Outline:

I. Overview (10 minutes)

- Outline the case and key issues at play.

II. Discussion (30 minutes)

- Open up the floor for class discussion.
- *Discussion questions:*
 - Describe the key dilemma Sherry Hunt faced.
 - Describe the external factors which contributed to the situation at CitiMortgage.
 - How might Sherry have acted differently if Richard Bowen had not been her supervisor?
- *Suggested themes to highlight:*
 - The role corporate culture can play in ethical dilemmas.
 - The risks and rewards of stepping forward as a whistleblower, including legal protections in place for employees (see “Supplemental Case Readings” on page 12).

III. Activity: Debate (50 minutes)

- See “Extension Activities” on the following page for an activity outline.

IV. Conclude (15 minutes)

Episode 1: The Whistleblower Extention Activities

I. Case Summary

Assignment: Prior to class, assign students to write a three-sentence summary of the case presented in the episode. The summary should include an overview of the key issue presented in the case, along with the case outcome.

II. In-Class Debate

For some whistleblowers like Sherry Hunt, the decision to come forward is black and white. But many other cases aren't so clear. Using a similar but more ambiguous case, such as the Edward Snowden Case presented below, conduct an in-class debate.

Edward Snowden Case: Edward Snowden is a former U.S. government employee who leaked classified information from the National Security Agency. Some view Snowden's whistleblowing as heroic, while others argue that his activity is criminal and he should be prosecuted for it.

1. Split the class into three groups: two groups will argue for and against Snowden, and the third group will serve as judges. The instructor should print and distribute the applicable article to each group. The judges should read both articles.

Pro: Snowden should not face punishment for being a whistleblower

[Whistle-Blowers Deserve Protection Not Prison](#) (New York Times, December 18, 2013)

Con: Snowden is a criminal and should be punished for breaking the law

[Edward Snowden Broke the Law and Should Be Prosecuted](#) (New York Times, December 18, 2013)

2. Distribute the applicable reading assignment to each group and give students time to read independently and discuss as a group (20 minutes). During this time, the judges should read both articles and discuss the key issues at play.

3. Each group should clearly articulate their stance and make an argument as to why they are correct (5 minutes per group).

4. After each group states their case, the judges should pose questions to each group (5 minutes per group).

5. Judges will then leave the room and deliberate, and return with a final verdict and explanation of their reasoning (10 minutes).

III. Editorial

Assignment: Write a 250-word editorial either siding with or critiquing Sherry Hunt's decision to blow the whistle at CitiMortgage.

Note: Instructors may choose to ask students to use the included ethical frameworks included in the full Playing by the Rules classroom materials or other frameworks appropriate to their class in their analysis.

Key considerations:

- *Explain what you would have done if in Sherry Hunt's position.*
- *Describe the factors contributing to your decision.*
- *How would you weigh the consequences of your decision?*
- *What effect would your decision have on key stakeholders (CitiMortgage managers, customers, and your coworkers)?*
- *Describe one or two ethical frameworks you would use to weigh your decision.*

Alternate Assignment: Write a 250-word editorial describing a similar ethical dilemma you have personally witnessed or experienced. Please do not reveal details about identities, company, etc. Apply the frameworks discussed in class and the major trade-offs faced by the main decision maker in the dilemma.

IV. Related Readings

Instructors may choose to assign additional readings for context on the key issues of this episode, either in advance of class or post-class:

- [What to Do If Your Boss Asks You to Break the Rules](#) (*Harvard Business Review*, January 7, 2016)
- [Whistleblower Protection Programs](#) (*United States Department of Labor*)
- [Examples of Whistleblowing in Business](#) (*San Francisco Chronicle*)