

I-Warn-Ya Ammonia Teaching Notes

What Are the Relevant Facts?

1. The company that Mark worked for has removed a defective product from inventory.
2. Mark inadvertently found out about the defective product and the timing of the accident.
3. Dave and Jim have had several years to press the issue about the defective product.
4. Lee has advised Mark to do nothing and let time protect the company from possible litigation.

What Are the Ethical Issues?

1. How can Mark continue to serve his clients and company knowing that the company did not stand behind its defective product, the anhydrous ammonia “fail safe” valve?
2. Does the company have the obligation to volunteer to pay for the damages?
3. Is it Jim’s and Dave’s responsibility to look at the time and statute of limitations issues?
4. Is Lee really being unethical? Isn’t he merely looking out for the welfare of his company? After all, litigation has ruined many a growing firm (cite original ShoMith [?] product as an example).

Who Are the Primary Stakeholders?

- Mark and Lee--organization interests
- Jim and Dave--injured party and landowner
- Other company employees and stockholders
- Others who still may be using the valve

What Are the Possible Alternatives?

1. Mark can do nothing--keep his mouth closed.
2. Mark can blow the whistle on the company and probably lose his job.
3. Mark can plead with Lee to take an ethical stance and help the injured hired man with medical expenses.

What Are the Ethics of the Alternatives?

- Utilitarian Perspective (Costs and Benefits)
 1. What alternative would provide the best benefit for both the company and the client?

2. How do you measure costs in this situation? The client has continued to do business with the company and has brought no litigation.

• Rights Perspective

1. What do the clients have the right to expect in this situation?
2. Is it not Lee and Mark’s right to serve the company best by merely staying quiet?
3. What would you want done if you were Jim? Dave? Lee? Mark? A company stockholder?
4. What rights do consumers have in product liability cases?

• Justice Perspective

1. What option might best serve both the company and the injured party?
2. Which parties suffer the most if Mark does nothing and keeps his mouth shut?

What Are the Practical Constraints?

1. Time is a critical element. The statute of limitations will stop any litigation issues if the injured party does not move quickly.
2. Mark is really caught in the middle; his boss has essentially told him to “look the other way.”
3. The injured parties have continued to be clients and are not pressing this issue.
4. Why not just follow the old adage, “Look out for number one!”

What Actions Should Be Taken?

1. If you were Mark, what would be your response to Lee?
2. What do you see as the three main alternatives?
3. What ethical theories (utilitarian, rights, justice) make the most sense to you as they relate to the “failsafe” shutoff valve?
4. Would you involve others outside the organization by contacting an attorney on your own? Are there any other options?