

Author:

Richard P David  
9210 Saint Andrews Pl.  
College Park MD, 20740

Ph: 508-320-5755  
richardpdavid@gmail.com  
NSPE Member # [REDACTED]

---

Maryland Society, NSPE:

MDSPE Headquarters  
5024-R Campbell Boulevard  
Baltimore, MD 21236  
Phone: 410-931-8100  
Fax: 410-931-8111  
Email: [admin@mdspe.org](mailto:admin@mdspe.org)

## **FACTS**

Engineer A works for Company X which is owned by Engineer B. Company X is currently experiencing financial problems and Engineer B recently created another company, Company Y.

Engineer A has learned that Engineer B recently advised clients of Company X to remit payments for work performed by Company X and its employees to Company Y.

## **QUESTION**

What are Engineer A's ethical obligations under the circumstances?

## **NSPE CODE REFERENCES**

*I.2. Perform services only in areas of their competence.*

*I.4. Act for each employer or client as faithful agents or trustees.*

*I.6. Conduct themselves honorably, responsibly, ethically, and lawfully so as to enhance the honor, reputation, and usefulness of the profession.*

*II.1.f. Engineers having knowledge of any alleged violation of this Code shall report thereon to appropriate professional bodies and, when relevant, also to public authorities, and cooperate with the proper authorities in furnishing such information or assistance as may be required.*

*III.1.c. Engineers shall not accept outside employment to the detriment of their regular work or interest. (...)*

*III.5. Engineers shall not be influenced in their professional duties by conflicting interests.*

*III.7. (...) Engineers who believe others are guilty of unethical or illegal practice shall present such information to the proper authority for action.*

## **DISCUSSION**

The process of tactfully and effectively criticizing an employer is delicate, and can risk putting an engineer in a career-crippling situation without actually solving the problem. A proper course of action will enable the employer to mend any minor ethical missteps him/herself before the employee considers more drastic measures such as resignation and whistleblowing. The question of determining Engineer A's ethical course of action will thus consist of two distinct analytical steps. First, s/he must firmly classify the nature of Engineer B's violation(s), in order to proceed according to NSPE code. Second, s/he must determine what series of actions s/he can take to responsibly address the problem without prematurely employing more extreme measures.

Engineer A is not an expert in tax law or the intricacies of business finance, while as a business owner advised by a professional accounting firm, Engineer B is. Since to Engineer A's limited knowledge no overt illegalities are taking place, s/he would thus be in violation of section I.2 of the NSPE Code of Ethics if s/he were to immediately assume illegal activity. Indeed, there exists a possibility that Engineer B is preparing to restructure Company X, or to dissolve it while hiring its best employees to Company Y. This course of action may be a utilitarian end to an unavoidable financial situation.

At the same time, to Engineer A, the actions of Engineer B raise ethical flags in the arenas of conflict of interest, full disclosure, and general honesty and transparency. The fact that Engineer B appears to be manipulating finances using his/her two companies necessarily requires that his loyalties, financial motives, and expertise be divided between each company. Engineer A might thus suspect that Sections I.4, III.1.c, and III.5 of the NSPE Code of Ethics are possibly being violated.

Given that Engineer A does indeed develop strong suspicions, s/he is thus obligated by Code Section III.7 to pursue the matter and, if necessary, report it. S/he will need to tactfully elicit whether Engineer B is either violating or not violating any tenets of the NSPE code without provoking a defensive response from his/her employer. The exact details of such a confrontation are not necessary here; however, Engineer A will do well to avoid any appearance of accusation, and should broach the matter in private to avoid, as much as possible, provoking dishonesty from Engineer B.

The results of this conversation provide many and varied outcome scenarios. Suffice it to say that if the problem is resolved without escalation, the case may be closed, and Engineer A will have satisfied his/her responsibility to ensure that ethics violations are not occurring, and will not in future occur. If, on the other hand, Engineer A recognizes a clear ethical violation,

s/he will be bound by Code Sections II.1.f and III.7 to report Engineer B to the authorities and the NSPE Board of Ethical Review.

Engineer A's course of action is driven by both a utilitarian approach and a respect-for-persons approach to ethics. From a utilitarian standpoint, s/he is attempting to ensure that the majority—the clients and the employees of Company X—are being treated ethically, and as such are not being sacrificed in order to improve Engineer B's personal gain. Using a respect-for-persons approach, Engineer A is ensuring that the individual rights of those same people to pursue profitable livelihoods, maintain stable home lives, and not be harmed or deceived are being respected. At the same time, s/he is not sacrificing Engineer B's rights, but is ensuring that s/he is treated fairly and being given an opportunity to correct any accidental missteps before a serious ethical breach is declared.

If, on the other hand, Engineer A failed to pursue this ethical responsibility, one or both companies and the careers of their employees could be disrupted, and both legal and financial troubles for both companies and their clients could ensue. Failing to pursue this ethical course would certainly not be aspiring to “enhance the honor, reputation, and usefulness of the profession.” (NSPE Code Sec. I.6)

## **CONCLUSION**

1. Engineer A should tactfully open a dialogue with Engineer B as to the nature of the evolving relationship between Companies X and Y. S/he should not act on any assumptions, or act beyond his/her expertise.
2. If Engineer A confirms a severe ethical breach, or a minor ethical breach which Engineer B refuses to correct, Engineer A will be forced to contact the appropriate authorities.