



Reasoning with Ethics

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A Project of The School for Ethical Education | www.ethicsed.org

“Ethics in action creates character.”

Use this blog to:

1. Lead class discussions in social studies, civics, ethics or advisory classes.
2. Teach students skills to analyze cases with core ethical values.
3. Recognize skills in support of SEE's Tri-Factor Model of ethical functioning.

[Visit the online Ethics Blog.](#)

Business Fraud: Who's Responsible?

Elizabeth Holmes, the charismatic college dropout and founder of Theranos, has recently settled with the SEC over an elaborate case of fraud where she and the company president were accused of exaggerating claims of the company's

technology and financial performance. Some investors lost all their money, which in some cases exceeded \$100 million.

The fraud took place over a decade and was exposed to include the falsified claims that Holmes was famous to make. Her marketing was likened to Steve Jobs when she advertised that a few drops of blood could be processed by Theranos equipment that equaled comprehensive analysis that required vials of blood in conventional testing. Holmes hyped Theranos technology for military field applications and drug store blood sampling. The exaggerated claims helped build the company value above \$9 billion.

Surely more than just the Wall Street Journal reporters that investigated the story knew that a fraud was being perpetrated. Students are asked if you worked at a company that made false advertising claims, would you have any responsibility to resist the advertising? What core values would you want to demonstrate in this case? What ethical actions would you be willing to take?

Regarding the response sought in this issue, SEE welcomes students to post on our website at http://bit.ly/Ethics_Case where more information is available for *Reasoning with Ethics*. A YouTube video link for this archived case can be found at-- <https://youtu.be/-QC8Xe9KeCE>

Contact information

The School for Ethical Education is a not for profit teaching agency in Milford, CT with the mission to advance strategies of placing ethics in action to create character. As a non-sectarian 501(C)3, SEE is supported by fees for service, grants and donations. For more information visit our website at www.ethicsed.org Please reply with "unsubscribe" in the subject heading if you want to be removed from this Reasoning with Ethics Blog.

