



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.

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Big Bank Corruption

Two employees of Chase Bank have recently pleaded guilty in a case going back years where they and four other Chase collaborators were charged with manipulating commodity markets. Chase Bank will pay nearly \$1 billion in fines and restitution, which some commenters noted as a “speed bump” out of Chase’s \$36.4 billion profits in 2019.



The market manipulation scheme was described as “spoofing”, where Chase commodity traders placed large orders to buy or sell without following up on the transactions. This led to market price manipulations that supported Chase commodity positions.

The scheme was sophisticated, required meaningful collaboration among its participants, and was carried out with illegal intent. Students are requested to consider how they would have responded if given the opportunity to participate in this white-collar crime. If you were working for the largest bank in the US and entrusted with millions of dollars in assets, what corners would you cut or what illegal actions would you take to enlarge the bank’s profits and your compensation?

Alternatively, what core values would help you resist participating in a corrupt scheme? What social skills would you need to reject your colleagues’ illegal suggestions? SEE welcomes learning what students would do if colleagues suggested an illegal strategy to improve their performance.

Supplemental links

Bloomberg News (1:57) JPMorgan set to pay close to \$1B in Fines for Spoofing Case--
<https://www.youtube.com/watch?v=s7cOSKx00vE>

Bloomberg (2/5/20) JP Morgan under Criminal Probe--
<https://www.bloomberg.com/news/articles/2020-02-05/jpmorgan-s-role-in-metals-spoofing-is-under-u-s-criminal-probe>

The Wall St Journal (9/29/20) - <https://www.wsj.com/articles/jpmorgan-paying-920-million-to-resolve-market-manipulation-probes-11601393666>

Business Insider (9-29-2) JPMorgan pays \$920M Penalty--
<https://markets.businessinsider.com/news/stocks/jpmorgan-spoofing-case-pays-fine-admits-wrongdoing-market-manipulation-traders-2020-9-1029631935#>