

# Permission to Steal

Revealing the Roots of Corporate Scandal  
An Address to My Fellow Citizens

Lisa H. Newton





*“Permission to Steal* is hard-hitting, insightful, passionate, and refreshingly readable. It is a must-read for all citizens who care about ethics in business and a more healthy society.”

**W. Michael Hoffman, Executive Director, Center for  
Business Ethics, Bentley College**

“This book blends the insight of a first-rate philosopher with the moral outrage that every citizen should feel about the wave of recent corporate scandals. Newton minces no words in addressing the fundamental questions that every person should ask: What went wrong? Why was it wrong? How did it happen?”

**Joe DesJardins, Executive Director, Society for  
Business Ethics**

*“Permission to Steal* reads like a whodunit: once you start reading it, you will find it difficult to put down. A crisp outlining of corporate scandals moves seamlessly to an analysis of their causes. Newton concludes with seven tasks to bring our society to a point where we can ‘trust our nation’s wealthiest not to rob us.’ Bravo to the author: all will learn from her in this delightful read.”

**Ronald Duska, Director, American College Center for  
Ethics in Financial Services**

**Lisa H. Newton** is Professor of Philosophy and Director of the Program in Applied Ethics at Fairfield University. She is the author of numerous articles and books in business ethics, and most recently published *Business Ethics and the Natural Environment* (Blackwell, 2004).

## **Blackwell Public Philosophy**

Edited by Michael Boylan, Marymount University

In a world of 24-hour news cycles and increasingly specialized knowledge, the Blackwell Public Philosophy series takes seriously the idea that there is a need and demand for engaging and thoughtful discussion of topics of broad public importance. Philosophy itself is historically grounded in the public square, bringing people together to try to understand the various issues that shape their lives and give them meaning. This “love of wisdom” – the essence of philosophy – lies at the heart of the series. Written in an accessible, jargon-free manner by internationally renowned authors, each book is an invitation to the world beyond news flashes and sound bites and into public wisdom.

*Permission to Steal: Revealing the Roots of Corporate Scandal* by Lisa H. Newton

*Forthcoming:*

*Terrorism and Counter-Terrorism* by Seumas Miller

*Insanely Good: Moral Lives for the Mentally Ill* by Anita Allen

*The Extinction of Desire: A Novel Approach to Buddhism* by Michael Boylan

*Evil On-Line: Explorations of Evil and Wickedness on the Web* by Dean Cocking and Jeroen van den Hoven

# Permission to Steal

Revealing the Roots of Corporate Scandal  
An Address to My Fellow Citizens

Lisa H. Newton



© 2006 by Lisa H. Newton

BLACKWELL PUBLISHING  
350 Main Street, Malden, MA 02148-5020, USA  
9600 Garsington Road, Oxford OX4 2DQ, UK  
550 Swanston Street, Carlton, Victoria 3053, Australia

The right of Lisa H. Newton to be identified as the Author of this Work has been asserted in accordance with the UK Copyright, Designs, and Patents Act 1988.

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, except as permitted by the UK Copyright, Designs, and Patents Act 1988, without the prior permission of the publisher.

First published 2006 by Blackwell Publishing Ltd

1 2006

*Library of Congress Cataloging-in-Publication Data*

Newton, Lisa H., 1939–

Permission to steal : revealing the roots of corporate scandal / Lisa H. Newton.

p. cm. — (Blackwell public philosophy)

Includes bibliographical references and index.

ISBN-13: 978-1-4051-4539-8 (hardback : alk. paper)

ISBN-10: 1-4051-4539-0 (hardback : alk. paper)

ISBN-13: 978-1-4051-4540-4 (pbk. : alk. paper)

ISBN-10: 1-4051-4540-4 (pbk. : alk. paper) 1. White collar crimes—United States.

2. Corporations—Corrupt practices—United States. 3. Corporations—Moral and ethical aspects. 4. Corporate culture—Moral and ethical aspects. 5. Business ethics—United States. I. Title. II. Series.

HV6769.N49 2006

364.16'80973—dc22

2006016595

A catalogue record for this title is available from the British Library.

Set in 11/13.5 Dante

by Graphicraft Limited, Hong Kong

Printed and bound in Singapore

by COS Printers Pte Ltd

The publisher's policy is to use permanent paper from mills that operate a sustainable forestry policy, and which has been manufactured from pulp processed using acid-free and elementary chlorine-free practices. Furthermore, the publisher ensures that the text paper and cover board used have met acceptable environmental accreditation standards.

For further information on

Blackwell Publishing, visit our website:

[www.blackwellpublishing.com](http://www.blackwellpublishing.com)

# Contents

Preface	vii
Introduction: The Stories	1
Choosing a Path in the Woods	10
1 The World, the Flesh, and the Devil	19
A Look in the Mirror is Not Reassuring	19
An Ancient Fable Says It All	20
Lead Us Not Into Temptation	23
The Village	30
How Bad Can It Get? The Unspeakable Crimes of the Very Good	33
The Human Alone	35
2 The Lethal Marriage of Ideology and Opportunity	37
The Pendulum Swings Right	37
Free Market Liberalism and Village Conservatism	41
The Origins of the Moral Human	44
Necessary Virtues	50
The Collapse of Every Restriction	52
The Transformation of the Landscape	58

## CONTENTS

	The Pension Betrayal	69
	The Hood Robin Syndrome	72
	Permission to Steal	74
3	Humility and Hope	77
	Turning the Elephant	77
	Picking Up the Pieces	78
	Learning to Tell the Truth	82
	Regaining the Duty of Stewardship	84
	Re-Visioning the Republic	86
	Ending the Crime Wave	91
	Finding Peace	93
	A Concluding Note	99
	Bibliography	101
	Index	103



# Preface

For those who treasure justice, this time has its peculiar satisfactions. As I write this preface, some time after completing the text of this book, Kenneth Lay and Jeffrey Skilling have just been convicted of fraud and conspiracy. When last heard from, imprisoned Dennis Kozlowski was attempting to get his insurance company to cover his \$17.8 million in legal costs, even as he agreed to pay the state of New York \$21.2 million in evaded taxes. WorldCom CEO Bernard Ebbers was sentenced to 25 years in prison, John and Timothy Rigas were also sentenced to jail. Enron CFO Andy Fastow not only is serving time in jail, but I understand that he may not be able to hold on to his enormous mansion in Texas, built specifically to sink his ill-gotten gains into something that could not be taken away. His wife has already served her sentence for her part in the Enron fraud.

The sentencing of Lay and Skilling, undoubted poster children for the evil committed by the overprivileged at the expense of the overtrusting, is scheduled for September 11, 2006. The date is symbolically correct. It is five years to the day since our world changed forever, in the collapse, in terrorist attack, of the towering symbols of our financial supremacy, and the nation will never

## PREFACE

trust the air again. Lay and Skilling and all the others flew their greed into the centuries-old fabric of the business system, and watched our trust in the entire enterprise fall in pieces. We are diminished, our world is less safe, and we are understandably unhappy; no one likes to be told that the oaks against which we have leaned are but broken reeds. We have been betrayed, and our lives are the poorer for the terrible loss of trust.

But in the end, in another sense, we are the better for it. We assumed that all that we had built was sound and strong and safe, and that we could attend to our work, games, and shopping without thinking about them. Now we know what we long have recited, that eternal vigilance is the price of liberty, not to mention the price of the integrity of our business system. We have watched the disgrace, conviction, and imprisonment of people who were not necessarily bad, they just needed watching – they needed *us* to be watching, and we were not. We must not make that mistake again.

Why do we have to watch, and how shall we do it? This short book attempts to answer those questions.

# Introduction: The Stories



Reality is a collection of stories. Theory contemplates those stories, turns them this way and that, looking for trails of truth that lead through all of them, trails that connect them in some way that makes sense. The stories that we contemplate in this brief reflection are about fabulously wealthy businessmen who held responsible positions as executives (for the most part chief executives) in leading companies in the United States in the last decade of the twentieth century, extending into the twenty-first. A second Gay Nineties, a second Gilded Age, came abruptly to an end with their exposure as criminals (or close to it), their fall from power, and their richly deserved subsequent disgrace. As I write this short book, the scandals are by no means over (much of the ill-gotten wealth is still in the hands of those who made off with it), and the high-flying executives are only beginning to come to justice. Appeals will follow. But we know enough to get started on the contemplating, and given that the ill-gotten money was (eventually) ours, we ought to be interested in finding out