

Northwestern University
Executive Management for Design and Construction

Ethics in Construction and Engineering
PROJ_MGT 478

Course Objective:

Enforcing business ethics and compliance are critical to the day-to-day operations of any construction business. Failure to embed ethical behavior into the culture of the company and properly identify and manage any ethics violations will impact the sustainability of any construction firm. This course examines business ethics as they apply to specific construction professionals, civil and criminal risks to construction firms for failure to develop an ethical leadership culture, contractual ethics and audit concerns and proposes mitigation procedures and crisis management plans to lessen the impact of governmental ethics investigations.

Week-by-week description of the course:

Week 1 Introduction to Construction Business Ethics

- Codes of ethics in Architecture: 2017 AIA Code of Ethics & Professional Conduct and role of National Ethics Council
- National Society of Professional Engineers Code of Ethics for Engineers
- American Association for Engineering Societies Model Guide for Professional Conduct
- Association of General Contractors' (and other trade specific) ethics guides
- The Global Anti-Corruption Education & Training (ACET) project

Week 2 Corporate Ethics Policies and Compliance Audits

- Corporate ethics and training programs
- Liability arising out of failure to comply
- Union versus management ethics
- Who is charged with compliance and role of the legal department
- Role of the Board of Directors and reporting issues

Week 3 Client Contractual Ethics Issues

- Conduct and ethics expectations for suppliers and contractors: Anti-bribery and corruption prohibited (review of specific contractual clauses)
- Ethics in bidding
- Contracting authorities and ethics risk protocols (public versus private project considerations)
- Who should be charged with assessing ethics risks and policing internal compliance policies?
- Vendor approval processes and procedures and due diligence issues
- Class group presentations on the students' ethics risk and audit matrix and business case for their proposed approach.

Week 4**Criminal Liability Arising Out of Ethics Violations**

- Introduction to False Claims Act and Foreign Corrupt Practices Act
- Handling government investigations
- DOL rules related to Independent Contractors in the construction industry
- Whistleblower policies and examples
- Suspension, debarment and other penalties

Week 5**Crisis Management of Ethics Criminal Probes**

- Case studies and roles of construction executives in managing an ethics crisis
- Considerations of impacts of social media
- Notification and management of governmental authorities
- Handling electronically stored information (“ESI”) including company document retention issues and exposure from litigation holds in ethics investigations
- Students share their ethics crisis management plans demonstrating how the corporate risk and avoidance plans they devised have reduced risk and mitigated damage to their company’s bottom line, from a criminal ethics probe.

Grade Determination:

Ethics Crisis Management Presentation	25%
Ethics Risk and Audit Matrix Presentation	25%
Class participation	50%

Text:

No text required

NOTE: This course description explains the essence of the material covered. Canvas is the best source for the most up-to-date information about specific details for any given offering of the course.