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The Annual Conference of the Financial Planning Community

TRACK:	<i>SPECIAL ISSUES & GLOBAL</i>
SESSION: 979057	PROMINENCE TO PRISON: WHY SMART PEOPLE CAN DO SUCH DUMB THINGS
	TUESDAY, OCTOBER 13, 2009
	8:45 AM - 10:45 AM
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Patrick Kuhse is an international speaker, trainer and consultant on business ethics and critical thinking skills. His dynamic presentations have entertained, enlightened and inspired over 100,000 participants all over the world. He works with major universities and businesses in the development and education of students and staff on how to recognize ethical dilemmas and implement effective critical thinking skills. Patrick was a Certified Financial Planner (CFP) and Registered Principal for many years, working at many levels in the financial services industry from Registered Representative to Regional Vice President of a major financial services company. He will share his journey from prominence as a successful stockbroker in San Diego to his involvement in a financial fraud scheme, flight from the US to avoid prosecution, life as an international fugitive for four years and his subsequent self-surrender and incarceration for several years in both a foreign jail and U.S. prisons. He has spoken on and conducted "Ethics in Leadership" presentations to rave reviews for such diverse groups as major universities including Harvard and Stanford, civic groups, businesses, international professional associations and law enforcement agencies. Patrick serves as an appointed Ethics Fellow at the University of Florida and Suffolk University.

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CRITICAL THINKING ERRORS COMMON IN ALL UNETHICAL BEHAVIOR

ENTITLEMENT: A general belief that *“the world owes me something”* or *“I deserve it”*.

The idea of gaining something for nothing. Prime indicator that one is in entitlement mode – changing wants to needs i.e. I need a new car, house, computer, etc...A feeling of being **above the law** – *“That’s a great law, but it really doesn’t apply to me because I’m above the law.”* *****can be linked to most unethical behavior – **the root of all evil**.

ULTRA-OPTIMISM: A sense of invulnerability – that nothing can go wrong! There’s no downside to my behavior. *“I can do anything I want!”* Perhaps due to a series of prior successes. **“Irrational exuberance”**. A feeling of being smarter than everyone else.

RATIONALIZATION: Being able to justify unethical behavior by rationalizing *“I am an ethical person, therefore, whatever I choose to do must be ethical.”* A moral justification. Ability to take an otherwise unethical action and rationalize it into the “gray area” where it’s not “exactly” right or wrong. Favorite phrase – *“everybody does it!”* Justifies fraudulent acts by thinking it’s ok because it’s only zeros or no one gets hurt - there’s no real victim here...Uses the sentimentality factor – *“It’s ok for me to defraud the rich and give back to the poor.”*

SUDS - SEEMINGLY UNIMPORTANT/URGENT DECISIONS: Those snap decisions we make everyday in our busy lives as we deal with career, family and personal matters. Often made in perceived urgent situations without regard for consequences. Short-term gain for long-term pain...Often acting in the moment – **compulsive**. i.e. credit card purchases.

VICTIMITIS: Plays the *“Blame Game”*. Always the victim – always able to fault others and place blame with them. Finds cause of their own personal problems through other’s actions. Total lack of personal accountability. Reasons: A victim of society, family, school, world.

LAZINESS: *“Let someone else do it and clean up the mess!”* Unaccountable for their own actions. 80% of white-collar crime is discovered by something unanticipated. Unwilling to do anything they consider boring or “beneath them” ...takes the short cut – *If you’re going around in circles, maybe you’re cutting too many corners.*

AFFECTION-DISCONNECTION: No longer listens to others, severs ties with confidants and mentors. Will happily criticize others but not interested in criticism of their own actions. Vague answers to direct questions – *“Teflon Plated People”* – nothing sticks to them. Hard to pin down about anything.

SITUATIONAL ETHICS: Possessing a different set of ethics for different situations. Compartmentalizing – instead of letting ethics direct the situation, we let the situation direct our ethics. *Doing what’s right in the moment*. Not stealing a candy bar from the store, but ok to cheat on income taxes because you go to church on Sunday.

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