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To cite this article: David Jancsics & David Kanaan (2021): Corruption at the University: The Case of Susanne Boyle, Public Integrity, DOI: [10.1080/10999922.2021.1987785](https://doi.org/10.1080/10999922.2021.1987785)

To link to this article: <https://doi.org/10.1080/10999922.2021.1987785>



Published online: 01 Dec 2021.



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## Corruption at the University: The Case of Susanne Boyle

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### ABSTRACT

The case study provides participants a rich narrative about corruption-related ethical dilemmas in a large public organization operating within a multifaceted social, economic and legal environment. Participants are put in the position of a fictive character, Susanne Boyle, Director of the Office of Institutional Compliance, Ethics, and Equity, who must consider immediate action to manage three corruption-related issues but also consider how policies should be changed in order to avoid similar problems in the future. The case study intends to demonstrate the challenges with ethical decision-making within complex social systems and not purely rational bureaucratic arrangements. Similar to many real-life organizational situations, Susanne Boyle is personally and emotionally involved and must navigate between clashing moralities, norms and values related to her informal social network, as well as her official duties and responsibilities.

### KEYWORDS

Corruption, corruption typology, ethical decision-making, compliance office

It was late Friday afternoon at Roxfort University when Susanne Boyle sat down at her desk and began thinking about her “to do list” for the next week. As the Fall semester was coming to an end, she was starting to settle into her position as Director of the recently created Office of Institutional Compliance, Ethics, and Equity (OICEE). Looking through her messages and notes, three potential corruption-related cases were at the top of the agenda. This was rather unusual as most OICEE incidents reaching her desk involved accessibility and discrimination issues or sexual harassment allegations. Corruption was highly uncommon at Roxfort, with the University receiving national accolades as being an exemplar of ethical and equitable conduct on more than one occasion. Being chosen as the inaugural Director of OICEE, formed by a merger of several offices, Susanne wanted to preserve Roxfort’s stellar reputation as well as build a solid case for subsequent promotions at the University.

The Roxfort University main campus is sprawled across a bucolic neighborhood in Capital City with over 40,000 full-time students regularly attending each semester. Initially built as the predominant Women’s Normal College in the state, the institution expanded greatly after World War II, becoming co-educational to serve the thousands of former G.I.s returning from combat. As the public University continued to expand within a rapidly growing metropolitan area, efforts were made to offer university programs to residents of the adjacent, largely rural Rancho County. The former Rancho High School grounds were gifted to the University in the late 1960s and became Roxfort University – Rancho (RU-Rancho), operating as a College within the University. RU-Rancho serves a majority first-generation student body, many from low-income households, with approximately one thousand full-time students each semester. Despite the small size, RU-Rancho alumni hold many of the top leadership positions within the rural county of 150,000. Susanne routinely makes the hour-long drive to the satellite campus to meet with staff and address

OICEE issues. Prior to her current position, she built solid relationships with several of the RU-Rancho administrators while serving in other main campus administrative roles.

As Director of OICEE, Susanne is responsible for the University's central compliance function as well as regulating ethical standards and addressing equity issues. Her main tasks are fostering an organizational culture that promotes ethical and equitable conduct, addressing concerns raised through different university channels, and ensuring the timely communication and coordination of investigations for responsible units. In her inaugural year as Director, she has begun working closely with many administrators in a variety of units on both campuses. Most commonly, she meets with leaders from the Athletic Department, Student Activities, Human Resources, Financial Operations, General Counsel, Facilities, and the Internal Audit Office to make sure that compliance issues are being managed in alignment with the University's shared governance model. Roxfort, like other large public universities, operates in an increasingly complex regulatory environment in which employees and students are required to behave in an ethical manner and comply with the school's policies, procedures and rules as well as federal, state and local laws. This creates the additional responsibility for Susanne to continually monitor the federal and state-level compliance and regulatory landscapes, identifying any emerging compliance or equity issue. Employees and students with concerns about campus practices are able to report directly to Susanne's office through an online anonymous reporting system implemented with the creation of OICEE. Although she is privy to the identities of those raising issues, she is required to respect pertinent confidentiality rights.

After a long day of work, Susanne often visits the main campus' Recreation and Wellness Center to partake in a fitness class or go for swim. The "Rec," as students and employees call it, was expanded two years ago to include a new indoor pool complex as well as brand-new exercise equipment and state of the art rooms for yoga, aerobics, and spinning classes. It has become a popular destination for students, faculty, and staff despite the recent increase of the monthly membership fee from \$19 to \$29. Membership is included for students living in campus housing, however students not living on campus as well as faculty and staff are required to pay the monthly membership fee or a daily fee of \$5 to enter the facility. The daily and monthly fees have always been controversial but are firmly in place due to a complicated funding mechanism used to generate capital for building and maintaining the initial complex decades earlier.

This past Wednesday it was the third time Susanne noticed something suspicious while waiting in the long queue to enter the Rec. Student receptionists didn't check the membership cards of several young people and based on their interactions it seemed both were friends or part of a similar social group. This had become more routine in the past year as receptionists often let comparable groups of peers enter the gym without asking for identification while at the same time strictly checking the membership card and ID of every other guest. At first glance, Susanne assumed that the "free riders" and the receptionists were classmates but then noticed that some of the young adults wore t-shirts and hoodies with the logo of the nearby Capital Community College, or CCC as it is more often called.

It isn't unusual to see a student occasionally wearing CCC regalia as a significant number of students on campus are part of the state-sponsored "Path to Success" program offering guaranteed acceptance to Roxfort University upon the successful completion of a two-year program at CCC. Susanne realized that the students wearing CCC clothing could be upperclassman transfer students, however the older students most likely did not live in campus housing and therefore are required to pay the membership fees. She also thought some of the students might be friends of the transfer students but currently enrolled at CCC, taking advantage of the Rec facilities before they transfer themselves. Susanne believed the practice she witnessed provided a negative precedent and should be investigated. It was clearly against university policy and may also contribute to an inequitable culture of favoritism, giving preferential treatment to particular groups based on some level of social relationship.

After speaking with Recreation and Wellness Center Director Waylon Morgan on the phone Thursday morning, he agreed to meet with Susanne to discuss the issue the following Wednesday. She was careful to consider possible equity issues arising from her actions as CCC students are more likely to be from historically underrepresented minority groups as well as first-generation college students. If actions by her are perceived to target a specific group of students, especially those from less privileged backgrounds, this may create an antagonistic student response and reignite the past controversy of the membership fee requirement. Further complicating the issue, when waiting in line at the Rec later that Thursday evening, she was shocked to see her niece Carmela, a former “Path to Success” transfer student and now Roxfort senior, working as a student receptionist and similarly letting a group of CCC brandished students enter the facility without checking any identification. Susanne recalled her sister Ruth telling her how proud she was of her daughter Carmela, who had some problems in high school but was now successfully on a path to graduate college. Susanne felt she should proceed carefully at her meeting with Waylon next Wednesday.

The second case on Director Boyle’s agenda was possibly more nefarious. Two incidents related to the University’s new parking garage were reported by students. Last year a large 6-story parking garage opened on the main campus to address a lack of faculty and staff parking spaces. The project was a P3 development, or public-private partnership, between the university and the local developer Park Smart, Inc. In what first appeared to be a prudent cost-cutting move, Park Smart was charged with building and maintaining the garage as well as providing parking enforcement officers. Similar to issues with the creation of the Rec, the complicated capital funding structure at the university encourages P3 developments as decades old austerity measures make university-level capital project funding scarce and difficult to obtain. In addition, the permits and parking fees are kept high deliberately as the university administration hope to encourage the use of public transportation as part of the regional sustainability initiative “Capital 2100.” Similarly, the citations are especially prohibitive. The lack of a properly displayed parking permit or overstaying one’s allotted time comes with a penalty of \$100 with \$25 added to the citation if not paid within 7 calendar days. Semester-long permits are available for faculty and staff members to purchase while students and guests must buy daily or hourly tickets from the nearby parking meters.

The parking enforcement officers are employees of a private security company subcontracted by Smart Park, who began using outside contractors at its several downtown and airport parking garages after a major lawsuit against one of its own parking attendants. The contracted parking officers write handwritten citations, inputting them later the same day into a central computer system, most often at the end of their shifts. Susanne routinely parks in the new garage as it is located between her office and the Rec. In September, she voiced concerns to Facilities Director Greta Al-Shams about the handwritten citation reporting system but had not heard back. At the time, Greta suggested this was something that should be taken up with Smart Park or the private security company, but she would also look into it. Boggled down with several other issues and without an actual complaint at the time, Susanne did not pursue the issue with Greta any further.

The two student complaints happened on the same day and showed a similar pattern of corruption. In both instances, parking enforcement officers gave citations at the very minute the paid-time expired. As the students arrived at their vehicles, the same officers offered to eradicate the handwritten citations in return for a \$40 cash bribe. In both cases, the students refused to pay the bribes and reported the case through the OICEE anonymous portal. Susanne thought this might be a more common occurrence than the reporting suggested, with many students choosing to pay the bribe in order to avoid the high \$100 fee, perhaps also feeling wary about reporting the incident to OICEE for fear of getting into further trouble. She wondered if the garage security camera system, added after several vehicle thefts over the summer, recorded other instances of parking officers hanging around expiring meter vehicles or exchanging cash with students.

Susanne feared potentially damaging security camera footage may be difficult to obtain, or even erased, as it is directly handled by the private security company employees. She decided to again reach out to Greta.

The third item on the agenda took place at RU-Rancho, where William “Bill” Cooper, the current Dean and also a personal friend of Susanne outside of work, brought the issue to her attention during an informal lunch while he was visiting the main campus. She and Bill had a very collegial relationship as they had worked together on several projects in the past while serving in other positions at the University. Moreover, their families grew up together in the same neighborhood in Capital City, so when Bill visits the main campus they regularly have an informal lunch together, often including spouses and sometimes children. Bill and his wife Estefania moved to an apartment in Rancho county the previous year after his promotion and are hoping to purchase property in the area to build their dream home. The recent move of Estefania’s widowed mother into their small Rancho apartment has accelerated this plan.

During the lunch, Bill described to Susanne there was an unusual situation related to a renovation and expansion project at the satellite campus. The RU-Rancho administration building, part of the former high school built in the 1920s, had been damaged during an earthquake a decade prior but was only recently deemed unsafe by the new County building inspector, an RU-Rancho alumnus. Prior to the closure, several portable classrooms had been added to house student affairs offices with many employees and student workers sharing cubicles. After the closure, additional portable classrooms were rented from a neighboring school district to serve as temporary administrative and student services offices. It was clear to anyone that the relatively small historic administration building needed a significant renovation and expansion. Despite the difficulty in securing capital funding at Roxfort, the urgency of the project motivated the University’s board of trustees to expedite approval, thereby granting Dean Cooper the green light to execute contracts for the three-year renovation project including negotiating a commercial mortgage.

The renovation and expansion loan down payment is to be provided from previous fundraising efforts with the monthly notes being paid for mostly through an increase in student fees. When the renovation is complete, the expanded facility will include a student union featuring several new gathering spaces as well as a hot food cafeteria, small gym, and renovated offices for student services and administration personnel. The cost of the project should not exceed \$30 million. Bill expressed to Susanne that employees, as well as the student body, want the project to be completed as soon as possible due to the current cramped conditions and an ongoing lack of adequate campus amenities. Bill also figures any significant delays in the project may create unwanted negative feelings toward the new administration. Further complicating matters, a few banker friends in Capital City, each expressed concern with the project due to perceived difficulties with local officials in the remote county. He hoped this wouldn’t be an issue in securing the loan.

The first suspicious incident occurred at the Rancho Country Club, a private 9-hole golf course and recreation facility where Bill went a few times a week to play tennis with several older faculty from RU-Rancho. Along with his regular partners, he occasionally played with executives from the county’s business community and local government, many of whom were former students of the older faculty members. Gus Miller, an alumnus and now branch manager for a local Rancho Regional Bank, approached Bill after a tennis match in the club’s sauna and started to talk about the planned campus renovation and expansion project. In a light-hearted manner, the jovial banker suggested that his bank would be the best choice as lender for the project. Others in the sauna, who Bill recognized as important county business and government figures, chuckled or smiled, but did not offer any thoughts on the matter. After several of the men in the sauna left, Gus continued with a sterner face, “Seriously Bill, I do believe that it would be very beneficial for the community and even for you if our bank provided the loan for the project. I really hope you will think about it.” He went on to elaborate about his strong relationships with many important fellow RU-Rancho alumni, most of whom are benefactors to the satellite campus with

some also serving as board members for the local bank. While hardly able to cover his shock, Bill responded in a hushed tone while leaving the sauna, “Yes, sure Gus, each bank that offers favorable borrowing conditions will be taken seriously.”

Bill tried to forget about the incident until two days later when Gus called and invited he, Estefania, and his mother-in-law to a dinner at the most exclusive restaurant in the small community. Although it was not unusual for Bill to have lunch or dinner with area business and government leaders – especially alumni – he made sure to always pay for his food. Yet, this time Gus and his wife Araceli were especially assertive and insisted to pay the lavish dinner check. Bill resisted for a while but finally accepted the “gift,” if anything to avoid further awkwardness from the demonstrative Millers. During the dinner, Gus was careful to avoid mentioning the reconstruction and expansion project but instead talked a lot about very personal family-related topics. At one point of the conversation he suggested that he could arrange for Bill a VIP mortgage loan for a personal property purchase with an extremely low APR. Gus went on to explain how he had arranged similar loans for several of the area business and government leaders, many of whom Bill had met playing tennis. At this point, Bill now felt Gus was attempting to bribe him. He remained polite but finished his dinner rapidly and left the restaurant with his family.

He told Susanne this was the first time he mentioned the story to anyone. He was uncertain whether he should take any further steps in the case and asked for her professional opinion. Susanne noticed Bill seemed especially concerned about his relationships with the many powerful RU-Rancho alumni in the area as well as the older faculty and staff at the satellite campus. She requested a little more time to think about it but promised to call Bill back in the next few days.

## Teaching notes

### Overview

Susanne Boyle, Director of the recently created Office of Institutional Compliance, Ethics, and Equity (OICEE) at Roxfort University, is faced with three potential corruption-related cases at the same time. This is rather unusual because most incidents reaching OICEE are related to equal access, discrimination, or sexual harassment issues. Corruption is uncommon at Roxfort, with the University receiving national accolades on more than one occasion. Roxfort, like many other large public universities, operates in an increasingly complex regulatory environment where employees and students are required to behave in an ethical manner by complying with University policy and procedures as well as federal, state and local laws.

The first issue is noticed by Susanne herself while waiting in line to enter the recreation center, or the “Rec” on the main campus. Multiple times she has witnessed student receptionists not check the membership card of groups of students when entering. Despite the student receptionists letting peers who may or may not attend the University enter the gym without checking identification, the same individuals strictly check the membership cards of every other guest. Susanne was later shocked to find that one of the suspicious receptionists was her niece, a Roxfort senior.

The second case is potentially more serious. The issue relates to a new University parking garage and was reported by two different students. In this case, third-party contracted parking enforcement officers were witnessed offering students the alternative of an unofficial \$40 cash bribe in lieu of an official handwritten parking citation carrying a fine of \$100.

Finally, the third corruption case concerns one of the satellite campuses of Roxfort. William Cooper, the new Dean of the Roxfort University – Rancho (RU-Rancho) satellite campus, reported it to Susanne over an informal lunch. Recently, the University’s Board of Trustees gave Cooper a green light to negotiate and execute a construction loan as part of a three-year renovation project to modernize and expand the antiquated administration building. While at the local Rancho County country club, Cooper was approached by the branch manager of a local bank

who suggested they should provide the loan for the project. Later the banker invited Cooper to a lavish dinner and offered him a VIP mortgage loan for a personal property purchase with an extremely low APR.

### Proposed decision-making dilemma

The case study is intended for undergraduate and introductory graduate courses. It provides participants a rich narrative about corruption-related ethical dilemmas in a large public organization that operates within a multifaceted social, economic and legal environment. Participants are put in the position of a fictive character, Susanne Boyle, who must consider immediate action to manage three corruption-related issues but also consider how University policies should be changed in order to avoid similar problems at Roxfort in the future. The case study intends to demonstrate the challenges with ethical decision-making within complex social systems and not purely rational bureaucratic arrangements. Similar to many real-life organizational situations, Susanne Boyle is personally and emotionally involved and must navigate between clashing moralities, norms and values related to her informal social network, as well as her official duties and responsibilities. The actors' status and the seriousness of the cases also vary and require a different level or magnitude of responsive action. After reading the case study, students have to distinguish between corruption types related to each sub-case. They also have to identify the main beneficiaries of corruption and the key attributes relating with the respective corruption type. Finally, participants have to select immediate anti-corruption actions for each particular case and develop policies to prevent similar corruption circumstances in the future.

### Learning objectives

Upon completion of this exercise, participants will be able to:

- Describe theoretical frameworks explaining the complex and multifaceted phenomenon of corruption.
- Distinguish between different types of corruption and identify key attributes for each type.
- Identify the similarities and differences between explanations of causality and form of corruption.
- Appreciate how compliance and ethics officers operate in large public organizations.
- Select the proper anti-corruption tool to best mitigate different types of corruption.
- Recognize the often “fuzzy” appearance or magnitude of corruption, especially in the context of informal situations.

### Assignment

#### Additional assignment readings

Jancsics, D. (2019). Corruption as resource transfer: An interdisciplinary synthesis. *Public Administration Review*, 79(4), 523–537.

Bussell, J. (2015). Typologies of corruption: A pragmatic approach. In S. Rose-Ackerman & P. Lagunes (Eds.), *Greed, Corruption, and the Modern State* (pp. 21–45). Cheltenham: Edward Elgar.

de Graaf, G. (2007). Causes of corruption: Towards a contextual theory of corruption. *Public Administration Quarterly*, 31(1–2), 39–86.

Please prepare your answers to the following questions in light of the information presented in the case study and the assigned articles. Be prepared to defend your point of view:



1. For each of the three corruption-related cases, classify the corruption types and explanations occurring per the Jancsics (2019), Bussell (2015), and de Graaf (2007) frameworks.
2. For each of the three corruption-related cases, identify the five attributes using the Jancsics (2019) corruption typology below:
  - i. The form of corruptly exchanged resources
  - ii. The relationship between the corrupt actors
  - iii. The motivation of each corrupt actor
  - iv. The function or purpose of corruption
  - v. The mechanisms coordinating each actors' behavior
3. What should Susanne's immediate action be for each of the three corruption-related cases?
4. What University policies should be developed to prevent similar corruption circumstances in the future?

### **Case study activity (80 minutes)**

- I. Introduction: case background (10 minutes)
- II. Reading the case study (20 minutes)
- III. Identifying corruption types (20 minutes)
- IV. Action planning (20 minutes)
- V. Closing (10 minutes)

#### ***Introduction: case background (10 minutes)***

The instructor introduces the case by speaking briefly about the complexity of processes in a large public organization such as a public university system, while explaining the role and importance of compliance and ethics offices in such institutions. The instructor then introduces the topic of corruption as a serious issue for public organizations. Finally, s/he may ask a few participants to share a past experience of what they perceived as corruption in an organization. Instructors may break a larger group of participants into smaller units, with the smaller groups working together on the assignment and comparing notes with the other groups during the closing period.

#### ***Reading the case study (20 minutes)***

The participants are asked to read the case study. Alternatively, the case study may be assigned as homework along with the recommended articles prior to the class discussion. If there is more time, participants may take turns reading the case study out loud in order to better break the monotony, and have the freshest perspective on the nuances of each case.

#### ***Identifying corruption types (20 minutes)***

After reading the case, the instructor should ask the participants to identify the corruption types and explanations outlined in the three assigned articles for each corruption example in the case study. Participants then identify the key attributes of each corruption type per the Jancsics (2019) article, such as the form of corruptly exchanged resources, the relationship between the corrupt actors and the motivation of each, the function of corruption, and the mechanisms coordinating the actors' behavior. For example, the exchanged resource can be cash, organizational resources



such as loan or free entry to the gym; the function of corruption can be instrumental or social; and the mechanisms coordinating corrupt action can be network or market “price.”

### **Core theoretical framework**

Despite significant investment in anticorruption instruments over the past decades, a growing body of scholarship claims that anticorruption reforms at both national and organizational levels have generally failed (Bauhr, 2017; Heywood, 2017; Jancsics, 2019; Persson et al., 2013). A possible explanation for this failure is that public administration research holds a mistaken view of corruption, and improperly selected anticorruption strategies often target the wrong type of corruption (Jancsics, 2019). Corruption cases vary based on the organizational location of corruption (different levels of the government system), the types of illegally transferred resources, the beneficiaries of the corrupt act, and the relationship between the actors. A better alignment between actual forms of corruption and policy responses should be developed by educating future public decision makers on how to differentiate between diverse types of corruption and what particular anti-corruption tools might be effective against each.

Two authors of the assigned literature, Jancsics (2019) and Bussell (2015) provide different conceptual and multidimensional typologies of corruption while the third author, de Graaf (2007) describes the main causal explanations of the phenomenon. Jancsics’ (2019) typology consists of four distinct types that cover a wide range of corrupt activities: *market corruption*, *social bribe*, *corrupt organizations*, and *state capture*. A different way to classify corrupt practices is provided by Bussell (2015), who distinguishes four types of corruption: *legislative*, *contracting*, *employment*, and “street-level” corruption. Focusing on theoretical applications rather than a typology of corruption, De Graaf (2007 p. 43) presents “Six Kinds of Causes of Corruption” or six theory groups that explain the cause of corruption, those being: *public choice*, *bad apple*, *organizational culture*, *clashing moral values*, *ethos of public administration* and *correlation* theory groups.

Using these theoretical frameworks, participants will be able to identify different types and explanations of corruption and possible actions to be taken.

### **The gym reception case**

Based on the typology presented by Jancsics, the gym reception case can be conceptualized as a “social bribe.” *Social bribe* cases are based on gift-type reciprocity that indicates a preexisting and often complex social relationship structure among multiple actors. In these cases, the partners trust each other and immediate material benefit is not a primary goal of the transfer. The important social function of gift-type exchanges is to maintain the stability of social systems, keep social groups together, and integrate new group members. Here the agent and the client are members of the same social network and consequently the agent is willing to violate her/his organizational policies in order to fulfill social obligations related to such network membership.

According to Bussell, in *services type corruption* “street-level” bureaucrats’ can be corrupt because they directly control the provision of goods and services to citizens and use such discretion to benefit particular clients. The “Rec” case may fall in this category since individual receptionists could determine who can enter the gym and they provided access to people who did not meet eligibility criteria.

Applying De Graaf’s theoretical causes of corruption framework, the *bad apple* theory could explain the corrupt actions of the student receptionist if the student receptionist’s corrupt actions resulted from a causal chain rooted in their own defective character. If it is found that the corrupt act is common among the staff, then suggesting a root predisposition toward criminality for an entire group is highly unlikely. de Graaf’s *organizational culture* theories category would suggest that the corrupt act of the student receptionist does not stem from their own faulty character or perceived individual gain - rather there is a contradictory organization cultural influence. That

may be the case here as letting peers into the Rec without checking IDs could be the established group norm, and violating it would not be socially acceptable. The *clashing moral values* theories could be also used here. They would suggest that social values and norms dictate the actions of the student receptionists, as many may feel their obligations to friends outweigh the values and duties related to their public role.

### **The parking lot case**

This case can be categorized as *market corruption* according to Jancsics' typology. *Market corruption* – a pure commodity-type exchange between partners with no previous social relationship – is based on a transfer and an immediate counter-transfer, which usually comes in a material form, most often cash. This corruption type generally involves low-level rank-and-file employees, or in this case third-party representatives, who are bribed “on the spot” where actors meet. Market corruption may extend to a form of extortion when the agent demands extra money beyond official fees, or modifies records of an event while demanding money for a more accurate or beneficial recording of official information.

Bussell's typology does not distinguish between corruption types based the actors' relationship. Instead, it is organized around two variables, the types of government resources and the actors at different levels of bureaucracy who have control over those resources. If we apply this typology – similar to the gym reception case – the parking lot incidents fall in the *services corruption* category when low-level officials use their discretion to provide access to local organizational resources selectively.

De Graaf's *public choice* theory group is applied in this scenario if the parking enforcement officer believes that the personal benefits of receiving the bribe – perhaps augmented by the supplementary benefit offered to the student by avoiding the more expensive ticket – provides greater benefit than the consequences of the corrupt action. This may be more nefarious of a situation, however, if the information regarding parking enforcement officers targeting expiring vehicles is confirmed. In this case, the *bad apple* theories could apply if it is discovered that one or more bad actors exist and their actions stem from a latent criminal nature. However, if the corrupt act is found to be a common practice among the majority of the parking enforcement officers, then another causal culprit may emerge from the latter de Graaf theory groups. As noted in the previous example, *organizational culture* theories would suggest that the failure lies in the conflicting norms of the group. Expanding from the group, *clashing moral values* theories suggest the actions of the parking enforcement officers could be based on deteriorating societal values now conflicting with public sector ethical and legal standards.

### **The local campus renovation case**

Based on Jancsics' typology this case could be seen as a typical example of *corrupt organizations*. In this type of corruption, Rancho Regional Bank, a private organization, tries to achieve its legitimate goals using illegal means, for example, paying kickbacks for a government contract. Although individuals may benefit from this corrupt behavior, the primary financial beneficiary of this type of corruption is the organization (Pinto et al., 2008). Similar to *social bribe* cases, this corruption is also a trust-based reciprocal exchange, yet here both parties exchange organizational resources instead of private resources. It is not rare that trust between representatives of two organizations comes first and later this relationship is turned into a corrupt business deal.

Using Bussell's typology the local campus renovation case can be conceptualized as *contracting corruption*; the type refers to cases when mid-level bureaucrats can control the allocation of contracts and licenses. Here the winner of a contract – typically a private company – provides kickbacks or other forms of compensation to the bureaucrat who allocates the contract in a corrupt way.

Referring back to De Graaf's theoretical causes of corruption framework, the *organizational culture* theory group may be applicable as the goals of any private-sector business are profit and "salesmanship" such as Gus' behavior is very likely encouraged to that end. In many competitive organizations deviant culture tends to emerge to normalize and justify corruption for the company.

### **Additional discussion questions**

Corrupt situations happen in a complex web of formal, informal and hybrid relationships as society overlaps formal institutions. In these dynamics of everyday life, it is not easy to clearly draw the line between these different spheres. The following questions should spur debate on the informal contextual factors for each case, and complexity surrounding fighting corruption. These are difficult questions and there should be a variety of perspectives and opinions from the participants. For each question, have the participant put themselves in the position of Susanne:

1. How might Susanne feel about her actions affecting her niece Carmela's future and the relationship with her sister Ruth in the case of the potential "Rec" freeloaders?
2. How might Susanne ensure that her actions against the Rec employees are not perceived as targeting a specific group of people who are more likely to be from less affluent backgrounds or historically underserved minority groups?
3. In the parking garage case, should Susanne be concerned that her actions may lead to possible retaliation on the part of the Smart Park subcontractors as she often uses the new structure?
4. In the RU-Rancho case, how might Susanne ensure that her informal relationship with Bill Cooper does not get in the way of her best rectifying the situation?
5. How might Susanne quell Bill Cooper's fears about sacrificing his relationship with senior faculty and important alumni if Rancho Regional Bank is not considered for the loan or actions are taken against Gus Miller and the bank?

### **Action planning (20 minutes)**

Next, participants, or groups of participants working independently from the other groups, should create an action plan for Susanne Boyle that includes both the immediate action to manage the situation and appropriate long-term University policies to prevent future violations. This is to be done for each case. The instructor can kick off this section by talking about the primary anticorruption strategies discussed in the Janicsics (2019) article, that being anticorruption can be classified along two axes, top-down/bottom-up and internal/external policies. [Table 1](#).

**Table 1.** Anticorruption strategies.

Internal	External
Top-down	
Recruitment & promotion	Regulations
Internal monitoring	Law enforcement and judiciary
Penalties & rewards	External monitoring (e.g., audit)
Code of ethics	Anticorruption agencies
Limiting discretion (e.g., rotation)	International conventions
Formal training	
Bottom-up	
Whistle-blowing	Citizen/Community monitoring
Organizational culture	Press
	Civil society
	NGOs

Source: Janicsics (2019)

demonstrates the intersection of these two dimensions and provides examples of policies within each category.

These are some examples of the components a participant action plan may include:

- In the “Rec” case, students are embedded in their outside social network. In such structural arrangements, the belief of other student receptionists that their colleague is not “one of them” may create tension between corrupt and non-corrupt receptionists. In this environment encouraging *internal bottom-up* action, such as *whistle-blowing* could be a successful long-term anticorruption strategy protecting the anonymity of those reporting incidents. In addition, the *internal top-down* actions of *limiting discretion* and *penalties and rewards* may be appropriate in the short-term. For example, the Rec could implement a new electronic system mandating each visitor to the Rec swipe their card which then illuminates the membership card photo on a large screen before opening a turnstile to allow entry. In addition, strict penalties for receptionists caught allowing non-members in the Rec might be enacted and enforced. Another *internal top-down strategy*, rotating students between jobs and locations in order to prevent long-term relationships with possible corrupt clients might also work in this environment.
- Since one of the most powerful drivers of *market corruption* is the actor’s rational calculation, *internal top-down* strategies such as increasing the costs of corruption (*penalties and rewards*) for the subcontracted parking enforcement officers might be an effective immediate action along with *limiting discretion* and *internal monitoring*. In this case, the remedy might be three-fold: the penalty for a bribe by an officer results in the loss of employment; Smart Park installs a real-time computer system to issue violations to replace the written system, thereby greatly reducing the officer’s discretion; security camera footage is now handled directly by the campus police and only available to Smart Park and its subcontractors to view but not remove or modify.
- For the RU-Rancho case, *external bottom-up* strategies could be implemented such as citizen/community monitoring and exposing corruption cases through the local and regional press. Simultaneously, *Internal top-down* measures such as nurturing a culture of integrity or creating a specific code of ethics for campus development projects and mandating a formal training program be implemented to set the ground work for an *internal bottom-up* change in organizational culture. In this case, Susanne could suggest the above measures be created through the OICEE office in partnership with RU-Rancho, and inform Bill that if he accepts the low APR private loan in conjunction with the selection of Rancho Regional Bank as loan provider for the University, she will have no choice but to pursue a case against him.

### **Closing (10 minutes)**

In this section the instructor can summarize the key takeaways from the case. S/he may emphasize that corruption is often hard to detect, especially when it is embedded in seemingly normal everyday situations. Therefore, an important learning objective is to make participants aware of the “fuzzy” appearance of corruption. If working in groups, this would be the time for individual groups to share their action plans with each other. In the closing the instructor may also briefly reinforce the importance of compliance and ethics offices in large in large public organizations.

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