

## **An Ethical Case In Business**

The assertion that everything that is legal is unethical is a common assumption. Nevertheless, not everything that is unethical is illegal. Sometimes, we can have both elements clearly defined, but sometimes both aspects are not clearly defined because they both coincide inside the event. In the following case, try to determine where the illegal starts or where the unethical starts, or if there is no clear separation of both.

Mr. Ríos needs a piece to repair his two year-old industrial drill in his tool and dye making shop. Several of distributors for the piece have given him prices that fluctuate between \$450 and \$550 for the specific model, year and brand. A personal friend of Mr. Ríos, who is also a general piece distributor, told him that he would get the same piece with more than 20% off the minimum price in the list, which meant a profit of zero for him, but that he would do it as a favor for Mr. Ríos. The friend tells Mr. Ríos has to pay in advance, for a sum of \$390. Mr. Ríos pays him cash and asks him how long is it going to take for the piece to arrive, because the drill is a very important instrument in his shop. His friend tells him that that it will take two weeks for the piece to arrive from the United States.

After two weeks, Mr. Ríos calls his friend and asks for the piece. He answers that it hasn't arrived yet and he asks for an extra week. At the end of the week Mr. Ríos calls back, but the friend is inaccessible. The same story continues for the following weeks: the piece hasn't arrived or his friend doesn't show up. At the end of two months, Mr. Ríos sends him a certified letter with acknowledgement of receipt demanding the receipt of the piece.

Finally, the friend sends the piece to the shop through one of his employees. Mr. Ríos realized that the piece doesn't correspond to the model or the brand of the drill,

because it is a spare made in Burkina Faso. Furthermore, he didn't include the bill for it, so Mr. Ríos doesn't have a proof of the price.

Meanwhile, Mr. Ríos dedicated his time to investigate with the previous distributors of the spare. They told him that the piece usually arrived in three days to a week, depending on the day and the time it was ordered. Also, they told him that a discount could be done, but it couldn't be less than 20% of the prices given before. Even more, he was informed that the spares made in Burkina Faso didn't cost more than \$150, because that was its price enlisted in any distributor.

Mr. Ríos decides to buy the original piece from one of the distributors, who billed him \$450 after he gave it to him in five days. Mr. Ríos gave back the piece to his "friend" and a request for a refund of his money which he hasn't got back up to now. On the other hand, Mr. Ríos has a debt with him of previous orders and he decides not to pay him in compensation for the money his "friend" still owed him.

Identify the ethical problem or problems.