

## **Falsifying Expense Accounts**

You work for your father's business and are in charge of approving and writing expense account checks for the sales department. One of your duties is to report to your father any discrepancies in the expense account. You also perform occasional courtesy calls to clients to find out how their meetings are with company salespeople.

One day Jack, who you are really good friends with, requested a \$135 reimbursement check for entertaining a client the night before. Jack said he took the client to dinner and then to a basketball game. You reimburse Jack \$135 after he gives you the receipts from the dinner and the basketball game.

The next day Jack's girlfriend comes into the office and thanks him for a great time the other night. You overhear the conversation between Jack and his girlfriend and realize that he took her, rather than the client, to dinner and a basketball game. You call the client and find out that he met Jack at his office and never went anywhere else.

You ask Jack to pay the company back, but he insists that he went out with the client. You tell Jack that you will have to report this to your father and that he might get fired as a result, but Jack doesn't believe it. You tell Jack your father recently fired another sales person for falsifying an expense account. Jack continues to lie by insisting he took the client to the game.

What would you do? Would you:

- A. Tell you father?
- B. Do nothing?

Why?

If you respond "Tell your father" what would you do if:

- A. You would lose your friend?
- B. You once used the expense account for lunch with a business associate who was unrelated to your company?

If you respond "Do nothing" what would you do if:

- A. You were not friends with the salesperson?
- B. The expense was for \$500, instead of \$135?