

1. Print copies of the role-play exercise pages (one copy of "Background" for each student in the class; one set of the roles for every five students in the class).
2. Develop teams of five students (there are five unique roles in La Luna).

Bribery | Price fixing | Product misrepresentation

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salaries and benefits if they came to work for La Luna. While this is not illegal, some claim that the main reason La Luna does this is so they can obtain trade secrets about their rivals from previous employees. La Luna denies this and says it simply wants the best talent.

Despite the integrated nature of its operations, La Luna still produced returns far above

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You are the General Counsel for La Luna, and you report directly to the Chief Executive Officer and Vice Chairman Alexei. You work closely with each of the company's top managers, especially with the company's Ethics and Compliance Officer, Jayden. You have just learned from a phone call from a former colleague, U.S. Attorney Dana Miller, that La Luna is the subject of a joint investigation by the Department of Justice and the European Competition Commission. Miller has invited you to meet at her office tomorrow and to bring La Luna's outside counsel for a briefing on the scope of the investigation. She said that she has also invited the General Counsel of de Beaucoux Bassault Systèmes and its French parent company to do the same. De Beaucoux Bassault Systèmes is a French company with which La Luna operates as a joint venture in France and Morocco.

Several weeks ago, you learned from Amanda, La Luna's Global Director and Vice President of Sales and Marketing, that a French pharmaceutical regulator had asked both her and her colleague at de Beaucoux Bassault Systèmes to pay a "supplemental new drug application fee." She reported that she asked the regulator to submit his request in writing so that she could review it with the U.S. and French counsel but said that her colleague at de Beaucoux Bassault Systèmes made immediate payment of \$100,000 upon receipt via wire transfer instructions.

About the same time, you learned from Chen, La Luna's Global Director and Vice President of Operations, that his peer at de Beaucoux Bassault Systèmes has proposed that their joint venture enter into an agreement with their competitors to set prices in Europe for their leading antidepressant, Cannavix. He made it clear in his telephone conversation with de Beaucoux Bassault Systèmes that La Luna would not participate in such a scheme, but his peer later copied him on an e-mail message to the competitors that said La Luna and de Beaucoux Bassault Systèmes were ready to proceed with "the plan."

You and Jayden negotiated an agreement with de Beaucoux Bassault Systèmes and its French parent to make sure that de Beaucoux Bassault Systèmes, the French parent company, and La Luna comply with the U.S. Foreign Corrupt Practices Act as well as French Law No. 2000-595 Against Corrupt Practices (FLAC). You received personal assurances from de Beaucoux Bassault Systèmes' and the French parent company's U.S. counsel that it had discontinued its practice of making additional payments that were common in France before 1997 but illegal under the FCPA. Jayden implemented a Code of Ethics and a compliance program with the help of each of La Luna's Global Directors and Vice Presidents.

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You are the Ethics and Compliance Officer for La Luna, and you report directly to the Chief Executive Officer and Vice Chairman Alexei and the Audit Committee of the Board of Directors. You rely heavily upon La Luna's General Counsel, Diego, for advice about legal

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You have been with La Luna Pharmaceuticals for 18 years. You started your career at La Luna straight out of school after completing a dual degree in chemistry and biology. You loved the entrepreneurial spirit that you found at La Luna and you moved quickly up the organization. With every successful project that you completed, you were given more responsibility and greater financial rewards.

In the early days, the firm's culture was solidified as highly competitive and results-oriented. At the time, this philosophy was justified because the firm's survival depended upon competitive and sometimes aggressive business practices to compete against major rivals. The original CEO had been impressed with your hard work since the beginning and had taken you under his wing. Upon his untimely death two years ago in a plane crash, the board named you to replace him as CEO.

You find the position of CEO challenging, but the board confirmed you as CEO and named you Vice Chairman of the Board of Directors. Others at the firm questioned your ability to lead because although the previous CEO had trained you before his death, this training had been more operational in nature and not so concerned with the big picture and overall strategy. The other officers in the firm were concerned about your competitive attitude, believing it to be too aggressive. However, most employees know what is acceptable and what crosses the line, and there is an ethics officer employed at the firm, so you are not worried about unethical or illegal conduct occurring. You always direct employees to obey the law but recognize some rule-bending is necessary to do business.

Because of the increased pressure of your position, you and your wife have separated and are considering a divorce. You stand to lose more than half your current estate. This

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