

Extra Credit Assignment [due Friday, February 15, 2013]

This writing assignment involves researching the recently filed law suit by the US Justice Department, and various state attorney general's offices [Iowa being one] against Standard and Poor's Rating service in regards to alleged fraudulent rating reports. Information on this emerging financial ethics issue may be found at:

http://www.washingtonpost.com/business/economy/justice-prepares-to-file-civil-lawsuit-against-sandp-over-alleged-misgrading/2013/02/04/e3605b5e-6eff-11e2-ac36-3d8d9dcaa2e2_story.html

<http://money.cnn.com/2013/02/05/news/economy/sandp-subprime-lawsuit/index.html>

<http://dealbook.nytimes.com/2013/02/05/s-p-calls-governments-suit-meritless/>

<http://www.usatoday.com/story/money/business/2013/02/05/justice-lawsuit-against-sp/1893603/>

You need to develop a research paper on the ethical issues related this law suit that incorporates answers to the following questions: (1) what were the violations identified in the suit and what standards of care may have been violated? (2) how long may have these violations been going on and who might be responsible for carrying out the fraud? (3) Can you provide a summary of the arguments on both sides of this issue? [i.e., what are the arguments being used to assert that S&P acted in a fraudulent way and what are the characteristics that would give rise to that claim, what are the arguments by S&P to defend against the claim and what evidence is there that a standard of care was provided consistent with both legal and ethical standards (4) can you compare and contrast this ethical issue with others that are now emerging in College sports [e.g. Penn State, Auburn, Miami], Professional Baseball [e.g. Alexander Rodriguez - espn.go.com/espn/otl/story/_/id/8893139], Professional Cycling [e.g. Lance Armstrong - www.cnn.com/.../sports-lance-armstrong-lawsuit/index.html] (5) what are the possible remedies for maintaining the ethical integrity of financial reporting and/or athletics? (6) are there any reasons why athletes, athletic programs or financial reporting services should be treated differently when it comes to ethics?

In your 5 to 10 page single spaced paper with bibliography, please cite all references and include opening and concluding paragraphs that tie your research paper together.