

Fantastic Toys

To: Kimberly Reed
CEO

From: Suzie Que
Manager, Quality Assurance

Re: **Big Safety Concern**

While performing my required QA checks on our Dinky Dork and Girlie Geek toy lines I have found that there are excessively high levels of lead paint. The levels of lead are considerably higher than US legal limits. The reported noncompliant lead levels in paint, so far, range from just over the applicable standard to about eleven (11) percent or 110,000 parts per million when the legal limit is 600 parts per million, or 0.06 percent in the United States..

If ingested, lead paint can cause irritability and lethargy. Higher doses can lead to learning disabilities and death.

Many of these toys have been sold and are currently on the shelves. What do you want to do?

Scenario:

You are the board of directors for a toy manufacturer that has been manufacturing toys in China. Yes, you are affected by the recent revelation that toys you are selling have dangerously high levels of lead.

In fact, it has just been brought to your attention by memo from your Quality Assurance (QA) department (see attached) that several of your toys currently on the shelves have over the applicable standard of lead levels.

For our purposes this is in the early stages, there has been no press to date and you are pretty safe to assume they may never be. This is a true ethical dilemma for your company. What are you going to do? This could cost millions.

Please answer the following questions regarding ethics as they pertain to what you have read thus far and anything you find on the Internet during your research.

What are the ethical dilemmas facing your company due to this situation?

What are the ethical ramifications for you, as a board member, and your company due to the high levels of lead in the paint on your toy line?

What is your recommendation to the CEO regarding the toys sold, available for sale, on store shelves now, en-route to stores, and future shipments from China? This should be presented as a formal recommendation with specifics.

Who are the stakeholders and how will this situation affect them thus far and how will your decisions to handle the lead paint issue affect them in the future?

What are the ramifications if your decisions are unethical?

What are some of the laws in place that should have kept this from occurring?

What would you say to the public about your decisions regarding this issue? Please create and present a press release.

What type of reputation as a company do you expect to have after all is said & done?