

## Compliance Today – June 2018 The ethics of taking and giving gifts

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Several years ago I learned of a lobbyist who often stopped by an office to chat with a receptionist. He'd sometimes bring a small box of chocolates of nominal value. Even though it wasn't Godiva, a cordial relationship was established. One day, the lobbyist casually asked when the organization's executive director went to lunch. Having received an answer, he waited in the lobby to pursue and corner his prey.

The lesson is simple — even frontline staff, not just senior management, should have training in your gift policy. Just as important, a token gift can be as problematic as concert tickets, meals at a fancy restaurant, or use of a private plane. No organization is too small to fall victim to an ethical scandal because of gifts.

What this scenario also teaches is that an otherwise innocent recipient can be unaware they are being given a bribe. But there are also out-of-touch senior executives receiving lavish gifts, believing it's more about friendship than business. Then again, they may think rules don't apply to them.

Keep in mind the industry or the size of an organization doesn't matter. Basic ethics and compliance principles should be universal. Of course, the world doesn't work that way. Doing business in Russia, for example, may test a Western company's values and mission.<sup>[1]</sup>

Be sure you don't limit your definition of gifts. Gifts can include a business referral for a favor rendered, with nothing tangible exchanged.

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