



Scenario: The Mountain Inn

Group Size: 4-15

This scenario may contain explicit language and references to harmful situations which may be emotionally activating for some people. If you need support, services are available through the [CAF Member Assistance Program \(CFMAP\)](#) and the [Employee Assistance Program \(EAP\)](#).

Lieutenant (Lt) Brar: "Good morning"

Major (Maj) Osei: "How was your leave?"

Lt Brar: "Top-notch, Sir, thanks. Three weeks off is always nice but there is a mountain of email to read when you get back. I wanted to ask you about the email on this special get-together for the long weekend, at the Mountain Inn."

Major Osei: "Yes! It's going to be great, isn't it? It's a generous deal including accommodations for officers and their spouses. The special meal is also free on the first night. There are only a limited number of places available, but you and your husband can still go if you want."

Lt Brar: "Well, I had a different question. The owner of that hotel, you know, Mr. Norman. He has been doing business with National Defence over the past few years. In fact the dealings have been substantial."

Major Osei: "Sure, this is true, but I am not sure what your point is given Mr. Norman has sold his business and is now the proprietor of the Inn we are going to use for the get together event."

Lt Brar: "Sir, are we getting special treatment from Mr. Norman for a reason?"

Major Osei: "I see now, you are concerned about this being a conflict of interest. I don't think there is anything to worry about there. There's no problem having this special get-together at his new inn since we are paying for our own tickets."

Lt Brar: "Sir, sure it's a different business, but so much of this is free or significantly reduced in price. That seems odd."

Major Osei: "There is no problem here and there is no way we're going to cancel the event at this late stage. The Commanding Officer is a very good friend of Mr. Norman, and everybody, spouses included, is really looking forward to this."

Lt Brar: "I see, Sir,"

Categories

Principles:	Obey and Support Lawful Authority
Values:	Integrity
Cultural Themes:	Leadership
Misconduct Types:	Conflict of Interest
GBA Plus Themes:	Income
Audience:	Defence Team

Facilitator's Guide

Learning Objectives:

- Understand the ethical principle of “Obey and Support Lawful Authority” and how it applies in this setting.
- Understand Department of National Defence (DND)/Canadian Armed Forces (CAF) policy on Acceptance of Gifts, Hospitality and Other Benefits.
- Recognise how being in a potential Conflict of Interest (COI) situation can be damaging to the reputation of the DND/CAF as being an organization with high ethical standards of conduct.

Facilitation Questions:

1. What is the problem in this scenario?
 - Consider whether the generous offer and/or free meal would be considered gifts. Could it be dismissed as a marketing strategy?
 - Consider the relationship between the Commanding Officer and Mr. Norman. Is this something that should be considered whether the unit does business with Mr. Norman?
 - Consider how an outside observer might see this situation where a specific group of employees and/or members are getting special consideration from the former owner of a defence contractor who happens to be a good friend of the Commanding Officer.
 - How does the fact that this offer is only targeted at officers affect your consideration for COI?
2. What DND/CAF values are at play in this scenario?
 - Discuss integrity and accountability in relation this scenario.
3. What message is Majr Osei sending to the Lt by not seeking clarification if this is a COI scenario?
 - Are Major Osei's words and actions an example of poor ethical leadership?
 - Does Maj Osei risk his own professional reputation for a personal benefit? Has he also potentially exposed his CO, the CAF, and the DND to the possibility of criticism and disrepute should information about the event become public?
4. What would you do in this situation if you were Lt Brar?
 - COA 1: Disregard the situation. You do not want to ruffle any feathers. If things go wrong it will be the Maj's fault anyway.
 - COA 2: Discuss the matter further with Maj Osei after consulting with the COI Office.
 - COA 3: Discuss this issue with your immediate supervisor.

Notes from a COI Analyst to the Facilitator:

There are details absent from this scenario that would have to be answered before a determination could be made in this case. This was deliberate to give your group the chance to build a consensus on the matter as they explore all the various perspectives in consideration of the relevant policies. That building process creates a deeper understanding of the key issues for everyone. If after that consensus is established, there may be merit in reviewing it against the expert advice below that would have been offered if the COI office was consulted.

Analysis: If the Inn had offered all DND/CAD a special discount and the officers of the unit are just collectively taking advantage of that offer to have a get together this would be a very low risk area for COI even with the added issue of the CO being a friend of the Inn's owner. A blanket offer would effectively remove the issue of special treatment for the unit, CO or in this case just the officers.

If the CO had used his relationship with the Inn's owner to get a blanket special discount for all of DND/CAF this would not be considered conflict of interest, as the CO is not creating a target beneficiary within the institution, and this is consistent with other national level discount offers other business already offer DND/CAF. However, the CO should then remain distant from any decision making with regards to units under their command from engaging with the Inn again in the future. We call this recusing oneself from a potential conflict of interest

situation. Nevertheless, in this case the offer is targeted at a specific group, officers, and this creates an elevated risk for concerns of COI. Officers often have the authority to decide where public funds get directed and this is where COI can lurk if not actively managed.

If the unit was offered this special discount, especially if it is a one-time deal, to entice them to do more official business with the Inn, it could be seen as creating a conflict of interest with the intent to influence future decision making. The fact that individual employees and members may be paying for the tickets themselves does not automatically eliminate the issue of this creating a higher risk situation for issues with COI. Also, as pointed out this offer is targeted at officers. Such situations are problematic from a COI perspective because they can call into question the integrity of internal decision making. The optics of officers arranging special deals for themselves should be recognized as a high-risk area for concerns of fairness and COI. If the particulars of any arrangement are close to the situation in this scenario it would likely be recommended the event be cancelled and rescheduled using an approach that removes this COI risk. Typically, a competitive contracting process or even just getting multiple estimates and choosing the most cost effective could mitigate the risk of COI.

Some might still wonder if the free meal is a gift. The policy on accepting gifts is quite clear and anything over a minimum value (~\$25) is not permitted for any individual under most circumstances without written approval. Whether this is a gift really depends on how the offer is structured. If the free meal is given to all who take the weekend getaway offer it is more akin to a marketing strategy than it is a gift. If the free meal was only given to the one who arranged the offer that would clearly be a gift and should not be accepted.

What we at COI would like your group to get out of this is the COI lurks in just about every interaction we have with a business, and they need to be like Lt Brar and on guard for it and question every aspect of any business dealing. The degree of COI risk is rarely easy to determine and consulting with experts is often one's best defense against finding yourself or the DND/CAF in the newspapers in a not favorable light because we thought it wasn't a big deal or too late to cancel.