Purpose:  In the first assignment, you have the opportunity to see how ethics can play out in a real-world scenario. You will read the case scenario and answers the questions in a narrative format. Use headings for each question. Headings are not the question. You are required to use the course material to support your reasoning and the conclusions made.

Learning outcome met by completing this project:

Identify ethical issues that arise in domestic and global business environments using an understanding of ethical concepts and of legal and business principles.

Case Scenario:

The outbreak of the COVID-19 pandemic required Americans to shelter in place thus causing the U.S. economy to freeze-up, resulting in millions of lost jobs. The U.S. Congress passed legislation to try and limit the economic damage. Included in the legislation was a stimulus package that would give $1,200 to single tax filers making $75,000 or less and $2,400 to married couples making $150,000 or less. The purpose of the payment was to give people emergency funds and to stimulate the economy.  Also included was the CARES Act that provided the Paycheck Protection Program (PPP). The PPP was a program administered by the Small Business Administration that was targeted at small businesses.  It provided for a government loan that was forgivable if used to pay employees’ salaries and benefits, mortgages, rent, and utilities. According to the SBA website, "[t]he Paycheck Protection Program is a loan designed to provide a direct incentive for small businesses to keep their workers on the payroll.”

USAA is a member-owned organization that provided insurance and financial services exclusively to current and former members of the military as well as their family members.  USAA has an excellent reputation as a well-run organization and for giving its members good service. Many USAA members maintain checking accounts with it. Some of those members who have checking accounts had overdrawn their balances and had a negative balance in their accounts. When the $1,200 or $2,400 stimulus check was deposited, USAA used those amounts to offset the negative balances in some of its members’ accounts. Members were not informed in advance that this would be the case. This resulted in some USAA members not having any access to the stimulus money. The action USAA took in crediting the funds to existing account deficits was perfectly legal.

Shake Shack is a corporation that owns and licenses restaurants selling traditional American fare like hamburgers and milk shakes. It currently operates 124 locations in the U.S. and overseas. As of May 4, 2020, the company had a market capitalization of $2.06 billion. The company is publicly traded on the New York Stock Exchange. In 2019, Shake Shack’s CEO received $2.3 million in compensation. Shake Shack applied for and received a loan of $10 million under PPP.  The loan was permissible under a provision in PPP that allows restaurant chains to apply when each location has fewer than 500 employees. Shortly after Shake Shack received the loan, the PPP ran out of funds and many small businesses did not receive loans.

Small Business Administration. (2020) Retrieved from https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/paycheck-protection-program

How to Set Up the Paper

Create a Word or Rich Text Format (RTF) document that is double-spaced, 12-point font.  The final product will be between 5-8 pages in length excluding the title page and reference page.  Write clearly and concisely.

Create a title page with a title, the course number and section, the instructor's name and your name.

Instructions:

Course Material

For this project, you are required to use only the case scenario facts and the course material. What actually happened is not to be considered.  External sources are not permitted. You are not researching on the Internet or using resources from outside the course. You are expected to answer the requirements identified below showing the connection between the case scenario facts and the course material. Using course material goes beyond defining terms and are used to explain the 'why and how' of a situation. Avoid merely making statements but close the loop of the discussion by explaining how something happens or why something happens, which focuses on importance and impact.  In closing the loop, you will demonstrate the ability to think clearly and rationally showing an understanding of the logical connections between the ideas presented in a case scenario, the course material and the question(s) being asked. Using one or two in-text citations from the course material throughout the entire paper will not earn many points on an assignment. The use of a variety of course material is expected consistently supporting what is presented. The support must be relevant and applicable to the topic being discussed. Points are not earned for mentioning a term or concept but by clearly and thoroughly explaining or discussing the question at hand.

NOTE: If external sources are used, what is presented will not count and a penalty for not following instructions will apply.

Project Requirements

Introduction

Write an Introduction paragraph. The Introduction paragraph is the first paragraph of the paper and will be used to describe to the reader the intent of the paper explaining the main points covered in the paper. This intent should be understood prior to reading the remainder of the paper so the reader knows exactly what is being covered in the paper.
Consider writing the introduction last to ensure that all of the main points are covered.
Ethical Issue(s)

Identify and discuss the ethical issue(s) related to USAA and Shake Shack.
Stakeholders Implications

Identify the stakeholders involved in the actions of both companies.
Discuss the potential implications of the company's actions on each stakeholder or stakeholder group. Give examples.
Utilitarianism Viewpoint

Explain how a utilitarian would view USAA and Shake Shack’s actions.
Rights and Duties Viewpoint

Explain how the actions of both USAA and Shake Shack would be viewed under the theory of Rights and Duties.
Fairness and Justice Viewpoint

Explain how the actions of both USAA and Shake Shack would be viewed under the theory of Fairness and Justice
Recommended Actions

Regardless of what these companies actually did, recommend the actions that you think they ethically should take going forward.  This is not about what they should have done in the past, but rather speak to actions they should take now having done what they did.  There is no right or wrong action, but rather it is about supporting the actions you choose from your ethical arguments.
Conclusion

Write a concluding paragraph that is brief and summarizes the main points. Provide specific information related to the major topics discussed in the paper.
Review the Paper

Read the paper to ensure all required elements are present.

The following are specific requirements that you will follow. Use the checklist to mark off that you have followed each specific requirement.

Checklist

Specific Project Requirements

Proofread your paper.

Read and use the grading rubric while completing the paper to ensure all requirements are met that will lead to the highest possible grade.

Third person writing is required. Third person means that there are no words such as "I, me, my, we, or us" (first person writing), nor is there use of "you or your" (second person writing). If uncertain how to write in the third person, view this link:  http://www.quickanddirtytips.com/education/grammar/first-second-and-third-person.

Contractions are not used in business writing, so do not use them.

Paraphrase and do not use direct quotations. Paraphrase means you do not use more than four consecutive words from a source document.  Removing quotation marks and citing is inappropriate. Instead put a passage from a source document into your own words and attribute the passage to the source document. There should be no passages with quotation marks. Using more than four consecutive words from a source document would require direct quotation marks. Changing words from a passage does not exclude the passage from having quotation marks.  If more than four consecutive words are used from source documents, this material will not be included in the grade.

You are expected to use the weekly course materials to develop the analysis and support the reasoning. There should be a robust use of the course material. Material used from a source document must be cited and referenced. A reference within a reference list cannot exist without an associated in-text citation and vice versa. Changing words from a passage does not exclude the passage from having quotation marks.

Use in-text citations and provide a reference list that contains the reference associated with each in-text citation.

You may not use books in completing this problem set unless it is part of the course material. Also, do not use a dictionary, Wikipedia, or Investopedia or similar sources.