

Inside **Tucson Business**

A Territorial Newspapers Publication

Ex-swindler talks about ethics at breakfast

By Philip S. Moore, Inside Tucson Business

Patrick Kuhse, entrepreneur turned convicted swindler turned business ethics consultant, is the featured speaker at the Better Business Bureau of Southern Arizona's 2006 Business Ethics Awards breakfast on Wednesday, May 3.

In selecting Kuhse as the keynote speaker, the Better Business Bureau is offering a look at ethics from someone who talks often about losing them and then getting them back.

Ethics Fellow in Residence at the Eller College of Management's Institute for Executive Education at the University of Arizona, Kuhse is a leading speaker on business ethics. The former San Diego-based financial planner saw his collapse and international flight from prosecution play out as headline news in the mid-1990s. Now, he uses his life and mistakes as an example of how business people can go wrong.

Born and raised in rural Iowa, Kuhse attended Arizona State University before leaving in 1980 to participate in the bond trading boom, first as a financial planner and regional manager for two national securities firms, then for his own company. It was there that he became involved, in the late 1980s and early '90s, in an increasingly illegal bond-trading scheme involving the State of Oklahoma.

Fleeing to Costa Rica to avoid arrest, he spent four years on the run before turning himself in to the U.S. Embassy. Kuhse pled guilty to money laundering, accepting bribes from a public official and conspiracy, and was sentenced to seventy-one months in prison and ordered to pay almost \$4 million in restitution.

While in prison, he earned a bachelor's degree from Western Illinois University, and was paroled in 2001. To satisfy 208 hours of community service, he began giving talks on business ethics. This turned into a career, and now Kuhse speaks to approximately 50 university, business and civic groups each year, as well as professional associations and law enforcement agencies, delivering his lecture on business ethics and the "slippery slope" of unethical behavior and its cost.

Speaking about the business environment today, he said, "White-collar crime and corporate greed in America seems to be running rampant. For me and the executives of Enron, Tyco and WorldCom, to name a few, we were guilty of the same critical thinking errors."

Very few business people set out to be dishonest, he said. It's a process that starts with seemingly unimportant choices to bend the rules. That combines with a desire for instant gratification and "a snap decision we might make. That is what gets us all in trouble," Kuhse said.

"There's a quote that says ethics are easy until it costs you something, when there's a lot at stake for you. That's when you find out what people are made of," he said. "What I try to do is let people know that this time is coming and prepare them to anticipate it and make the right

decision.”

While Kuhse said his childhood religious faith helped him, he said, “I think everybody has a sense of what’s right and wrong. It’s wired into us, internally. How we go about deciding what to do is something for psychologists to discuss, rather than me, but if people listen to their gut, they can’t go wrong.”

Since many of those who enter business have been pre-conditioned by the media to perceive business as fundamentally dishonest, Kuhse said too many people are not expecting to do the right thing. “That’s why I encourage business people to go into the schools and show them that they can be successful in business and still do it in an ethical manner.”

Kuhse said, “We all have greed goggles on at certain times, and when we do it’s full speed ahead, don’t bother me with the details, all is well.”

However, “I hope that people hear what I’m saying and don’t look at my life as a success story. My core message is that it’s to your disadvantage to go astray, in the price you pay and the price that your family and everyone around you pays.”

He said, “My goal in every speech is to reach at least one person in the audience and give them the tools they need, so when they face an ethical dilemma, they make the right decision.”

This is the third year for the ethics awards event, presented to recognize those companies in Southern Arizona that have set an example for ethical business practices. Four awards will be presented this year. The 7:30-9 a.m. breakfast costs \$50 per person or \$400 for a table of eight. For further information or reservations, call (520) 888-6262.

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