**Introduction**

The following is a business profile, corporate ethics plan and budget to be implemented by ESPN, Inc. (ESPN), the leading multinational, multimedia sports entertainment company.

The corporate ethics plan provides guidance to ESPN executives on how a traditional Standards of Business Conduct with be developed, implemented and moderated across the organization. It also reviews why it is necessary to introduce Standards of Business Conduct to employees, based on both recent ethical issues within the organization and philosophical justification. The plan will help ESPN maintain a healthy public image and corporate culture while raising ethical awareness internally.
Business Profile

ESPN, Inc. (ESPN), The Worldwide Leader in Sports, is the leading multinational, multimedia sports entertainment company based in Bristol, CT.¹

Mission: “To serve sports fans wherever sports are watched, listened to, discussed, debated, read about or played.”²

Ownership: ABC, Inc., an indirect subsidiary of The Walt Disney Company, owns 80 percent of ESPN, Inc. The Hearst Corporation holds 20 percent interest.³

Employees: Four thousand employees work at the ESPN Plaza in Bristol (7,000 employees worldwide).⁴

ESPN’s 7,000 employees include the following key executives:⁵

John D. Skipper, President
Paul Cushing, Chief Information Officer and Senior Vice President of Management Information Technology
Christine Driessen, Chief Financial Officer and Executive Vice President
Chuck Pagano, Chief Technology Officer and Executive Vice President
Edward Erhardt, President of Customer Marketing and Sales
John Kosner, Executive Vice President of ESPN Digital and Print Media
John A. Walsh, Executive Vice President and Executive Editor
John Wildhack, Executive Vice President of Production
Norby Williamson, Executive Vice President of Production
Russell Wolff, Executive Vice President and Managing Director of ESPN International
Patricia Betron, Senior Vice President of Multimedia Sales and Sales Professional
Christopher Brush, Senior Vice President of Affiliate Sales and Marketing, Sales Professional and Marketing Professional
Artie Bulgrin, Senior Vice President of Research & Analytics
Tim Bunnell, Senior Vice President of Programming and Marketing - ESPN International
Brian Carr, Senior Vice President of Multimedia Sales
Morris Davenport, Senior Vice President of ESPN Radio and General Manager of ESPN Radio
Oliver Dizon, Senior Vice President of Strategic Sales Planning & Revenue Enhancement
Vince Doria, Senior Vice President and Director of News
Bill Geist, Senior Vice President of Finance, Programming & Ad Sales
Matt Genova, Senior Vice President of Multimedia Sales
Thomas Hennessy, Senior Vice President of Finance
Traug Keller, Senior Vice President of Production and Business Divisions
Lynne Kraselsky, Senior Vice President of International Ad and Sponsorship Sales
Carol Kruse, Senior Vice President of Marketing
Chris Laplaca, Senior Vice President of Corporate Communications
Burke Magnus, Senior Vice President of College Sports Programming
Jodi Markley, Senior Vice President of Operations
Loren Matthews, Senior Vice President of Programming - ABC Sports
Laurie Orlando, Senior Vice President of Talent Development & Planning
David Pahl, Senior Vice President and General Counsel
Wendell Scott, Senior Vice President of Multimedia Sales
Ron Semiao, Senior Vice President of ESPN Content Development
Jack Wienert, Executive Director of ESPN Original Entertainment Events - X Games
Roch C. Pellerin, Managing Director of ESPN Classic Europe
Ross Hair, Head of Operations for Europe Middle, East & Africa
Chad Millman, Editor-In-Chief of ESPN The Magazine
Patrick Stiegman, Editor-in-Chief of ESPN.com

ESPN’s board members include:

Sean Bratches, Executive Vice President, Sales and Marketing ESPN
George Bodenheimer, Disney Interactive Studios, Inc.

ESPN operates over 50 business entities including the following:

Television Networks: ESPN on ABC (Broadcast), seven U.S. Cable Networks (five with high-definition simulcast services), Regional, Syndicated, Pay Subscription Packages, 35 International Networks reaching all seven continents
Audio: ESPN Radio, ESPN Deportes Radio, syndicated radio in 11 international countries
Online: ESPN.com, ESPndeportes.com, market-, college- and sport-specific sites and more
Multi-Screen Network: ESPN3
Publishing: ESPN The Magazine and other periodicals in the U.S. and abroad & ESPN Books
Wireless: ESPN Mobile Properties: Scores, Headlines, Video Highlights, Games
Event Management: Global X Games, ESPYs, college bowls & basketball games
Multiplatform Business: espnW, a digital and content-driven business
Location-Based Businesses: ESPN Wide World of Sports Complex in Orlando, ESPN Zone at Downtown Disney in Anaheim, ESPN Club at Walt Disney World
Corporate Outreach: Team ESPN, The V Foundation for Cancer Research and more

Revenue: Total 2012 ESPN revenues, including the networks, magazine and website, were $10.3 billion and, according to a recent research report from Wunderlich, the company is worth $40 billion.

Recent Ethical Problems

ESPN has been under fire numerous times over the last few years for its ethical standards (or lack thereof) in reporting, mostly in broadcast journalism. Below is a summary of the largest of these incidents.

2009: ESPN’s Craig James and Texas Tech’s Mike Leach
In 2009, ESPN reporter Craig James asked Texas Tech to fire head football coach Mike Leach after accusing Leach of isolating his son, Adam James, in an equipment garage and a media room while he was sitting out practice with a concussion. According to the
Huffington Post, "James hired a PR firm to push the administration into firing Leach. The Tech administration, eager to get rid of an increasingly powerful coach due an $800,000 payday in his contract, happily played along."\textsuperscript{ix} James was rumored to be what’s called a "helicopter" dad, showing up to numerous practices at Texas and pestered Leach to play his son.\textsuperscript{x} It is a breach of ethics for a network media analyst who covers a football program to try and influence the way a coach runs its program, especially if their son is on scholarship at that particular school. In another article from the Huffington Post, reporter Joe Cutbirth writes, "Everyone in journalism knows that credibility is a perception.... ESPN could have avoided this whole situation by reassigning Craig James the minute his son signed with Texas Tech. The announcement that James would not be covering the Alamo Bowl - like that is some big step by ESPN - is so ridiculous it’s offensive."\textsuperscript{xi} It is not in any way unusual for news organizations to reassign reporters to avoid conflict around their family members in government, business or even sports. Though Craig James may have acted correctly as a father defending his son, it does not excuse ESPN’s actions in not reassigning Craig James.

\textbf{2012: Rob Parker and RG III}

In December 2010, former ESPN reporter Rob Parker made some offensive remarks in regard to Robert Griffin III’s “blackness” during the show “First Take.” Parker said:\textsuperscript{xii}

My question, which is just a straight, honest question, is ... is he a “brother,” or is he a cornball “brother?” He’s not really ... he’s black, but he’s not really down with the cause. He's not one of us. He’s kind of black, but he’s not really like the guy you’d want to hang out with. I just want to find out about him. I don’t know, because I keep hearing these things. He has a white fiancée, people talking about that he’s a Republican ... there’s no information at all.

ESPN then re-ran the program again at a later time. Parker was suspended by the network on December 14, but was that enough? A Yahoo! Sports reporter didn’t think so. Farrar wrote, "Instead, those within the network who have decided to abdicate any sense of journalistic responsibility in favor of a craven desire for ratings and ‘buzz’ should probably take a few minutes and consider that they created and nourished an environment by which Rob Parker, who had made multiple professional missteps before, could thrive by saying stupid stuff and getting away with it."\textsuperscript{xiii} I have to agree with this reporter and wonder why Parker thought it was okay to say those racist statements. ESPN should be fostering a journalistic environment in which commentators remain unbiased and do not state their opinions on race, religion, politics, etc. That is the responsibility of a news organization. ESPN announced that they had opted not to renew Parker’s contract on January 8, 2013.\textsuperscript{xiv}

\textbf{2013: Chris Broussard and Jason Collins}

On April 29, 2013, Jason Collins became the first openly gay athlete in a major U.S. professional sport. Later that evening, during an episode of “Outside the Lines,” ESPN reporter Chris Broussard insinuated that by living as a gay man, Collins was a sinner. Broussard stated, "Personally, I don’t agree with homosexuality. I think it’s a sin as I think all sex outside of marriage is a sin."\textsuperscript{sv} According to New York Magazine, ESPN released a statement after the misstep that said, "We regret that a respectful discussion of personal viewpoints became a distraction from today’s news. ESPN is fully committed to diversity
and welcomes Jason Collins’ announcement.”xvi There was no other disciplinary action. Two weeks later at ESPN’s upfront presentation in New York, President John Skipper said, “Chris Broussard’s job was to come on [’Outside the Lines’] and talk about the news of the league, how the league was representing it, and through a series of events he made personal comments, which was a mistake.”xvii Are religious opinions acceptable in sports media? No. As a journalist, it is your ethical responsibility to leave your religious opinions at home.

**Ethical Awareness and Behavior at ESPN**

It is clear from the aforementioned ethical problems at ESPN that the organization’s employees need guidance in professional ethical awareness and behavior. This guidance will begin with the development and implementation of Standards of Business Conduct. Because ESPN is partially owned by ABC, INC., an indirect subsidiary of The Walt Disney Company, and The Hearst Corporation, it is unclear whether the organization follows either corporation’s Standards of Business Conduct. Thus, it truly needs its own.

**Step 1 – Development:**

The chief officers of ESPN with the assistance of two HR employees, two PR employees, three legal representatives and the project lead will work together to create the organization’s Standards of Business Conduct. The Board will then approve these standards. The goal is to develop a plan and have it implemented within a year.

1. Before the project lead and research assistant begin writing the Standards of Business Conduct, they will interview senior management on their ethical philosophy and any conspicuous issues they feel should be addressed in the Standards of Business Conduct. This is necessary because members of senior management are in the trenches with the employees and are more aware of arising issues than the chief officers.

2. The project lead and research assistant will also study the Standards of Business Conduct for other broadcast networks including CBS, FOX, ABC and the NFL Network. They will also study the standards for journalism organizations that focus on both print and online including Hearst Corporation and The New York Times.

3. HR employees will be asked to help develop the requirements for notification of a violation of the ESPN standards of conduct. The PR employees will assist in developing expectations for social media use. The legal department will review the language of the Standards of Business Conduct throughout the process to ensure it is in accordance with the law.

4. Because the organization seems to have particular issues with following journalism’s code of ethics, the Society of Professional Journalists Code of Ethics will be specifically spelled out for employees in the Standards of Business Conduct.
5. The following topics will be included in the Standards of Business Conduct:

I. Our Standards
   1. Why We Have Standards of Business Conduct
   2. Who is Required to Follow the Standards
   3. What the Standards Mean for You
   4. Asking for Guidance and Voicing Concerns
      a. Anti-Retaliation Policy
   5. Communication Channels

II. Workplace Environment
   1. How We Treat One Another
   2. How We Treat Our Consumers
   3. Diversity
   4. Workplace Health, Safety and Security
   5. Substance Abuse and Weapons
   6. Wage and Hour Rules

III. Business Practices
   1. Compliance with Laws and Regulations
   2. Society of Professional Journalists Code of Ethics
      a. Test the accuracy of information from all sources and exercise care to avoid inadvertent error. Deliberate distortion is never permissible.
      b. Diligently seek out subjects of news stories to give them the opportunity to respond to allegations of wrongdoing.
      c. Identify sources whenever feasible. The public is entitled to as much information as possible on sources' reliability.
      d. Always question sources' motives before promising anonymity. Clarify conditions attached to any promise made in exchange for information. Keep promises.
      e. Make certain that headlines, news teases and promotional material, photos, video, audio, graphics, sound bites and quotations do not misrepresent. They should not oversimplify or highlight incidents out of context.
      f. Never distort the content of news photos or video. Image enhancement for technical clarity is always permissible. Label montages and photo illustrations.
      g. Avoid misleading re-enactments or staged news events. If re-enactment is necessary to tell a story, label it.
      h. Avoid undercover or other surreptitious methods of gathering information except when traditional open methods will not yield information vital to the public. Use of such methods should be explained as part of the story
      i. Never plagiarize.
      j. Tell the story of the diversity and magnitude of the human experience boldly, even when it is unpopular to do so.
      k. Examine their own cultural values and avoid imposing those values on others.
      l. Avoid stereotyping by race, gender, age, religion, ethnicity, geography,
sexual orientation, disability, physical appearance or social status.
m. Support the open exchange of views, even views they find repugnant.
n. Give voice to the voiceless; official and unofficial sources of information can be equally valid.
o. Distinguish between advocacy and news reporting. Analysis and commentary should be labeled and not misrepresent fact or context.
p. Distinguish news from advertising and shun hybrids that blur the lines between the two.
q. Recognize a special obligation to ensure that the public’s business is conducted in the open and that government records are open to inspection.

3. International Business
4. Interaction with the Government
5. Sales Practices and Advertising
6. Fair Competition
7. Conflict of Interest
8. Gifts and Entertainment
9. Social Media
10. Securities

IV. Intellectual Property and Proprietary Information
   1. Confidential Information
   2. Other Intellectual Property
   3. Use and Retention of Company Records
   4. Books and Records
   5. Financial Accounting, Internal Controls and Auditing Matters

V. Community Involvement
   1. Environmental Commitment
   2. Charitable Activities
   3. Political Activities
   4. Personal Activities
   5. Public Relations

VI. Ethical Decision-Making Framework

VII. Frequently Asked Questions

VIII. Contact Information

6. Once the first draft of the Standards of Business Conduct has been completed, the aforementioned participants in the process will be called to a meeting for a review. Changes will be noted and applied. These draft reviews will continue until the Standards of Business Conduct have been approved by all and are ready for implementation within the organization.

Step 2 – Implementation:

The next step in building ethical awareness and behavior at ESPN is training. All employees should be properly trained on what is and is not considered ethical behavior by ESPN, how to handle ethical dilemmas, and how to report a problem.
1. Before the Standards of Business Conduct are applied throughout the organization, President Skipper will present them to the key executives. Employees look to their leaders for guidance in the workplace. Therefore, changes in ethical awareness and behavior must begin at the top.

2. Annual training seminars will be held for all employees and hosted by President Skipper. The day will include breakfast, an overview of any policy changes during the year, small group discussions, lunch, workshops and an opportunity to ask any questions at the end of the day. Because there are 4,000 employees in Bristol, training will have to be conducted in groups of 800 Monday-Friday. The 3,000 employees who are not in Bristol will live stream the seminar on a date determined by the HR department.

3. In addition to the annual training seminar, print and broadcast journalists will have to go through a supplementary day of annual training tailored to them. Because most of ESPN's ethical issues have occurred when journalists violate the Society of Professional Journalists Code of Ethics, this day of additional training is more than necessary. Many of ESPN's broadcasters are high profile and may say they do not have time to participate. The rule will be if they do not participate, they do not go on air. The problem cannot be fixed if the journalists aren't willing to address the issue.

4. All ESPN new hires will receive a copy of the Standards of Business Conduct on their first day of work. An HR representative will cover the materials with the new employee.

Step 3 – Monitor:

Certain steps must be taken at ESPN to monitor ethical awareness and behavior including the following:

1. After the annual seminar is complete, all employees will receive and fill out a follow-up survey on the effectiveness of the training. This survey will also give employees the opportunity to ask questions they did not feel they could ask publicly at the seminar.

2. It is also important for HR to keep accurate records of all complaints and issues filed. These records should be compiled into a quarterly report that will include:

   a. The number of incidents that occurred quarterly, year to date and the number of incidents from that particular quarter last year (year-over-year comparison).

   b. The type of incident including but not limited to harassment, discrimination, insider trading, misuse of company materials, etc.

   c. The number of people that were included in the situation and their names.

   d. The outcome including, but not limited to, a warning, disciplinary action, suspension or termination.
3. If the key executives and the board of directors look at the quarterly report and see no change in the ethical behavior of its company's employees, or if they feel things are getting worse, the plan can be modified from here.

**Step 4 – Enforcement:**

First, it is important to remember that the goal of a corporate ethics program is not to suspend or terminate employees, but to stop unethical actions before they occur. However, in order for the ethics program to work, ESPN’s HR team must enforce the rules.

It should be noted in the Standards of Business Conduct that any violation of a law or policy may result in disciplinary action, including termination of employment, particularly if you:

1. Knowingly and intentionally violate a law or policy.
2. Direct others to violate a law or policy.
3. Fail to cooperate in a company investigation of possible violations.
4. Retaliate against another employee for reporting a concern or violation.
5. Fail to effectively monitor the actions of subordinates.

**Rationale for Plan**

The concept of implementing a Standards of Business Conduct comes from John Rawls' *Theory of Justice*. Rawls' theory is based on the idea that rational people can engage in a deliberative process that concludes with a system of discrimination.\textsuperscript{xix} Cheney et al. write, “He invests a great deal in affirming that fairness would result from the circumstance and process because, he believes, if we agree on the process, then, implicitly, we agree on the circumstance(s). Consider it a system of discrimination for determining a terminable system of discrimination, that is, a method of distinguishing between the actions one should undertake and those one should not.”\textsuperscript{xx} In terms of application to ESPN, this theory means that if the key executives and board members sit down and flush out standards for behavior and performance within the company, as well as consequences of ignoring those standards, all employees should accept them as the Standards of Business Conduct.

Cheney et al. also discuss the social contract theory when they write, “the individual who joins a profession, with its agreed-upon standards of behavior and performance, voluntarily assumes these responsibilities by the very taking up of this profession.”\textsuperscript{xxi} When applied to an organization, this theory implies that when an employee signs their HR paperwork and accepts a position, they agree to the standards of behavior set by that organization. In ESPN’s case, this would be an agreement to obey the Standards of Business Conduct.

The idea for implementing the Standards of Business Conduct through annual training seminars comes from the philosophy of Socrates. According to author William S. Sahakian, “For Socrates, anyone who knows the right thing to do will do it. Wrong actions are committed only out of ignorance.”\textsuperscript{xxii} Based on this theory, if the employees of ESPN are taught what actions are ethically sound, what actions are not ethically sound and the
consequences of disobeying the Standards of Business Conduct in an annual training seminar, they will feel compelled do the right thing.

**Potential Issues**

As previously stated, many of ESPN’s broadcast journalists are high profile and may try to make excuses for not completing Standards of Business Conduct training. This is simply unacceptable and it is President Skipper’s obligation to enforce the training for each and every employee. If an employee *does* have a valid excuse for missing a training session, he or she must video conference in to a different session or complete one-on-one training with an HR representative.

It may also take a year or so to fully implement the plan across the company, so executives must have patience. Some personnel may initially choose to ignore the standards, or management may choose not to enforce them. This is one of the reasons it is so important for HR to complete their quarterly report on incidents within the organization. The executives may not feel like changes are happening quickly, but if they can see an uptick in improved behavior from the quarterly report, the set standards are doing what they are supposed to do.

**Budget**

Below is an estimate of how much it will cost to develop ESPN’s corporate ethics plan. Please note this budget does not include travel costs for any chief officers or legal representatives that may have to travel to Connecticut to participate in the process.

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<th>Item</th>
<th>Cost</th>
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<td><strong>Personnel:</strong></td>
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<td>Project Lead (full time @ $30/hr, 4 weeks)</td>
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<td>Research Assistant (full time @ $12/hr, 4 weeks)</td>
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iii “ESPN Inc. Fact Sheet.”

iv “ESPN Inc. Fact Sheet.”


vi “Company Overview of ESPN, Inc.”

vii “ESPN Inc. Fact Sheet.”


x Stanford, “Craig James: Worst Helicopter Dad in Texas.”


xiii Farrar, “ESPN suspends Rob Parker, but will the network's ethics ever change?”


 xx Cheney et al., Just a Job? Communication, Ethics & Professional Life, 71.

 xxi Cheney et al., Just a Job? Communication, Ethics & Professional Life, 110.