



Playing BY THE Rules

ETHICS AT WORK

Undergraduate & Graduate Business School Episode Guide

Episode 3: The Run Coal Memos

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Episode 3: The Run Coal Memos Instructor Overview

Case Overview

What led to the massive explosion at Massey Energy's Upper Big Branch Mine? In a report nearly 1,000 pages long, the federal Mine Safety and Health Administration found that if basic safety measures had been in place, the disaster would not have happened.

"The Run Coal Memos" looks at the evidence uncovered by federal and state investigators surrounding allegations of safety violations and hazardous working conditions. Key to the government's case were the infamous "run coal memos," internal company documents which investigators say demonstrated a disregard for safety and a corporate attitude which put profits over people.

Media Utilization Tips

Ideally, instructors will assign the [full episode](#) (26 minutes) to students to watch in advance of the class, so that they may fully participate in the in-class discussion.

Link to view:

<https://www.wliw.org/programs/playing-rules-ethics-work/the-run-coal-memos-bi9lqs/>

Key Moments: Instructors may choose to highlight key moments within the episode. Below are the timestamps of key decision-making moments by leaders at Massey Energy:

12:52 - What is the key problem highlighted in the Run Coal memo?

17:40 - Explain the key findings of the federal Mine Safety and Health Administration.

19:04 - What did Don Blankenship admit when testifying to Congress?

Reflection Questions: Instructors may also choose to provide students with reflection questions as they watch the episode. Examples of reflection questions include:

- Describe the parties involved and their interests.
- Describe the conditions at Massey which led to the mining disaster.
- Massey's internal investigation reached its own conclusion about the disaster, not supported by other external reports. Describe the conclusions of the other reports.
- Why were employees and board members afraid to confront Blankenship?

Key Takeaways

Here are some of the key themes in this episode:

- Regulations play an important role in protecting the safety of employees and consumers. This case is an example of a corporation skirting regulations in order to maximize profits, putting the company's interests above the safety of its employees.
- This case is an example of what can be at stake when unethical decisions are made, or when employees are afraid to step forward. Blankenship created a culture of fear, similar but different from the CitiMortgage and Enron cases explored in earlier episodes.

Supplemental Case Readings

The following articles provide additional information about the Enron scandal. Instructors may use this as background reading to prepare to lead the class. Additionally, instructors may choose to assign one or more of the articles as supplemental reading.

- [The People v. the Coal Baron](#) (*The New York Times*, June 20, 2015)
- [Don Blankenship, ex-Massey Energy CEO, sentenced to a year in prison](#) (CNN, April 6, 2016)

Episode 3: The Run Coal Memos Instructor Resources

Below is a suggested structure for class discussion and activities based on this episode. This structure assumes the instructor has assigned students to watch the episode prior to class.

Class Outline:

I. Overview (10 minutes)

- Outline the case and key issues at play.

II. Discussion (30 minutes)

- Open up the floor for class discussion.
- *Discussion questions:*
 - Describe the conditions at Massey which led to the mining disaster.
 - Massey's internal investigation reached its own conclusion about the disaster, not supported by other external reports. Describe the conclusions of the other reports.
 - Why were employees and board members afraid to confront Blankenship?
- *Suggested themes to highlight:*
 - The role regulations play in ensuring the safety of employees and consumers.
 - The differences between Massey's corporate culture compared to the previous cases at CitiMortgage and Enron.

III. Activity: Debate (50 minutes)

- See "Extension Activities" on the following page for an activity outline.

IV. Conclude (15 minutes)

Episode 3: The Run Coal Memeos Extention Activities

I. Case Summary

Assignment: Prior to class, assign students to write a three-sentence summary of the case presented in the episode. The summary should include an overview of the key issue presented in the case, along with the case outcome.

II. In-Class Debate

Some companies like Massey skirt regulations in order to increase profits. Some companies proactively terminate employees to avoid situations such as the one facing Massey. However, in the case of Darling International, it is unclear whether the company or employees are at fault for poor decision-making related to environmental regulations.

Darling International: Darling International fired four employees who were convicted of dumping pollutants into the Blue Earth River in Minnesota. But the convicted employees claim supervisors also knew and failed to act.

1. Split the class into three groups: two groups will argue for and against Darling's actions, and the third group will serve as judges. The instructor should print and distribute the applicable article to each group. The judges should read both articles.

Pro: Darling's employees knowingly violated the rules and should be punished

[Darling will Cough Up \\$4 Million](#) (Dallas Observer, January 2, 1997)

Con: Management knew about the violations and pinned the blame on employees

[Pollution Case Highlights Trend to Let Employees Take the Rap](#) (Wall Street Journal, October 9, 1997)

2. Distribute the applicable reading assignment to each group and give students time to read independently and discuss as a group (20 minutes). During this time, the judges should read both articles and discuss the key issues at play.

3. Each group should clearly articulate their stance and make an argument as to why they are correct (5 minutes per group).

4. After each group states their case, the judges should pose questions to each group (5 minutes per group).

5. Judges will then leave the room and deliberate, and return with a final verdict and explanation of their reasoning (10 minutes).

III. Editorial

Assignment: Write a 250-word editorial analyzing Blankenship's actions. What would you have done if you were his employee?

Note: Instructors may choose to ask students to use the included ethical frameworks included in the full Playing by the Rules classroom materials or other frameworks appropriate to their class in their analysis.

Key considerations:

- *What would you have done if you were one of Blankenship's employees?*
 - *Would you have confronted Blankenship's regulatory violations? Why or why not?*
 - *What factors would contribute to your decision?*
 - *How would you weigh the consequences of your decision?*
 - *Describe Blankenship's motivation for violating regulatory rules.*
- Alternate Assignment: Write a 250-word editorial describing a similar ethical dilemma you have personally witnessed or experienced. Please do not reveal details about identities, company, etc. Apply the frameworks discussed in class and the major trade-offs faced by the main decision maker in the dilemma.

IV. Related Readings

Instructors may choose to assign additional readings for context on the key issues of this episode, either in advance of class or post-class:

- [The Role of Government in Business](#) (*San Francisco Chronicle*, March 26, 2018).
- [Regulatory Environment Has More Impact on Business Than the Economy, Say U.S. CEOs](#) (*Forbes*, August 12, 2014).