

Do Our Leaders Need a Slap in the Conscience?

Former Nixon White House Plumber Offers an Ethics Toolbox

By Lisa Baker

Bud Krogh may be the corporate version of Dr. Laura. Kinder, gentler, but a slap in the conscience just the same.

After an era of excess, of WorldCom, Enron, and Capital Consultants, the executive streets are littered with ethics shed like clothes during a Mardi Gras parade.

Krogh is the “day after” friend who will sober you up, walk you back to the straight and narrow. Tell you to eat your peas and “go do the right thing” before something really nasty happens.

Because it happened to Krogh—whose name you might remember.

A Lapse from the Past

Egil “Bud” Krogh, former aide to Richard Nixon, was the first of the Nixon administration to serve prison time in a series of ethical lapses and criminal acts that soured the country on the integrity of its governance system.

Krogh came to the Nixon White House from his home in Seattle, Washington. Now a Northwest attorney in good standing, Krogh, rather than being eager to shed his past, is sharing it as a way of calling careerists to account.

Certainly, the talk he offers is not a glamour seminar, and may dwell on the painful and difficult, but careerists in government and in private sector businesses are listening with rapt attention.

In the past two years, Krogh has become a sought-after speaker at executive retreats and workshops, called on by Rotary clubs, universities, bar associations and government decision-makers on the subject of workplace ethics: How to keep yours when others are losing theirs. How to listen for the low-level noise of standards being compromised before you hear the roar of the crowd outside your arraignment. Or the gurgling sound of your company’s stock circling the drain.

Krogh had been out of law school for only three months when he became assistant to Nixon’s White House counsel, John Ehrlichman.

But he didn’t remain a mere assistant. Within six months, he was named deputy counsel to the president and in six months more, became his deputy assistant for domestic affairs in charge of fixing Washington D.C.’s rampant drug problem.

More challenges came his way quickly. Transportation, corrections, higher education.

Despite his youth and inexperience, observers said his work on domestic issues resulted in rarely seen productivity on complex problems.

But none of Krogh's assignments could match the adrenalin rush of being assigned to investigate the leak of classified documents from the Pentagon in 1971.

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The Pentagon Papers were a history of U.S. involvement in Vietnam—an unknown history to most Americans, a history far removed from what the government had been telling its citizens about the role of the U.S. in Southeast Asia. Covert actions before the war, early and active military support for South Vietnam, and the dramatic escalation of American involvement over time. The Pentagon Papers were proof that U.S. presidents had been lying, and lying by omission, about Vietnam for decades.

Krogh had not read the documents when he was assigned to blunt their effect. But he believed what he was told—that the release of the papers threatened national security, and that plugging future leaks was a national priority.

The plan was to find out everything about the leaker himself, Daniel Ellsberg, a defense department employee who gave the papers to the media and was rumored to have ties to the Soviet Union.

Krogh's team, the so-called White House Plumbers, went to work on Ellsberg, seeking to plug the leak and discredit him. At the suggestion of E. Howard Hunt, team member and former CIA operative, Krogh and his superior, Ehrlichman, each signed off on a plan to break into the office of Ellsberg's psychiatrist and collect files relating to Ellsberg.

At the time, Krogh recalls, it was suggested as a covert action, not a burglary. An action designed to protect national security. He was assured that such activities were "by no means extraordinary" by the CIA abroad, and later, by the FBI at home.

On a weekend in 1971, the California office of Dr. Lewis Fielding was ransacked, but not one file on Ellsberg could be found.

When he saw pictures of the detritus left by his plumbers, Krogh saw in it the unmistakable hallmarks of a low-level criminal event. A common burglary. "The visibility of physical damage was somehow disturbing beyond the theoretical impression of covert activity," he later told reporters.

He refused to authorize any further covert activities. But they went on without him, as he discovered months later, when Democratic National Committee headquarters at the Watergate were burglarized and those arrested were traced back to the White House.

It was the investigation of Watergate that blew the cover off the earlier burglary and spurred the downfall of Krogh, the plumbers and the cover-up that ended the Nixon presidency.

Rather than an end for Krogh, however, it was the beginning of a long trek to redemption.

Investigation and Indictment

The defense would have been a no-brainer: national security. Ellberg's actions put peace negotiations in jeopardy. Classified documents were classified for a reason and Ellsberg had broken his oath to keep them secret. It was treason. At least, that's what the White House position was.

But in the end, Krogh did the unthinkable. He surrendered completely, relinquishing any semblance of a defense. He told the judge that he should be convicted for his actions and that he would accept whatever penalty the court imposed and would serve it "as well and as effectively and as honorably as I can." But he didn't explain. Didn't say what he was thinking when he authorized the tossing of Fielding's office. That, he said, would make it seem as if he were attempting to gain leniency in his sentence.

What he did say was that he appreciated the painful process of investigation and indictment and public outing because it was, in his view, "clearing away of much of the wrong thinking, the mistakes in judgment, the qualities of character that need to be cleared away before we can stand again as a country..."

It won him saint status in the eyes of his prosecutors, one of whom, years later, would be instrumental in helping him win the return of his law license, which had been revoked as a result of the conviction.

He was sentenced to six months in federal prison. After sentencing, he offered a detailed account of the decision making that led to the break-in, but blamed no one but himself for what he now believed was a failure to uphold a sacred trust to protect individual rights.

But he wasn't done. After his release from prison, he met with Ellsberg, and separately with Fielding, and apologized to each man. The repentance was apparently so thorough that he and Ellsberg—a man he knew not at all at the time of the break-in—are now friends.

He has since issued other apologies—to the public, and to Nixon himself, in a two-hour meeting in 1974, at the president's San Clemente office just weeks after the resignation.

The former president, still facing criminal indictment for the cover-up, asked Krogh a key question: "Should I plead guilty?"

Krogh says 30 years later, he regrets the answer he gave. "I asked him if he *felt* guilty."

Nixon, it seemed, was not convinced he had done anything wrong. If the conversation were to happen today, Krogh says, he would urge him to plead guilty and argue that it was an opportunity to "demonstrate that no man is above the law."

Examining the Ethics

The intervening years have provided Krogh with time to rethink, re-examine and retrace his missteps, and to figure out how he came up with the wrong answer after a straight-laced upbringing.

His discoveries have led to the formulation of a sort of ethical toolbox, one he hopes will help others tease morality from multiple strands of seemingly equal imperatives.

Krogh says he realizes that his youth and inexperience were contributing factors to his error, but believes that young executives can learn to filter their orders through a moral prism before acting. They can look for the warning signs.

The examination begins, Krogh instructs, with an integrity test for underlying assumptions. Are they based on demonstrable proof or on simple belief? In 1971, he says, White House leaders termed the release of the Pentagon Papers a “crisis” and a “threat.” Two charged words guaranteed to invite an overwhelming degree of force, Krogh says. “I felt it was not my job to question the president’s assumptions. It was not in my job description.”

Krogh says he now sees that the Pentagon Papers were a threat not to national security, but to the president’s vision. “What I was involved in was group think. It’s not just a pop psych term, it’s a real phenomenon.”

It happens when a leader, in a room of underlings, provides the underlying assumption upon which all solutions must be based. Staffers are not invited to peck at the foundation, but to simply build on it. And for the most part, staffers are willing to do so. “For the most part, people want to be part of the team,” Krogh says. “They don’t want to say something contradictory.”

And so, Krogh advises executives and leaders to avoid expressing their own beliefs at the outset, to instead invite all viewpoints in defining the problem, even if it means taking a staffer outside a meeting room to get an individual, untainted opinion.

Krogh says he urges executives to then second-guess the proposed and most popular course of action and ask two questions about it: Is it morally right, and is it good? Good for the country, good for the company. Does it commit a wrong in order to affect a right? Does it hurt anyone? Does it uplift?

Finally, a look into the future: Will the action still be good and right in a year? Are there second and third-order consequences? Can it be done incrementally, with each step evaluated before moving on to the next? Krogh says it’s possible to take each variable through all of the possible outcomes and still miss something. “But you do it to the best of your ability,” he says. “There are limits to your ability to predict.”

An example: The Nixon administration, in its creation of environmental laws—clean air

and clean water regulations—never knew it was also laying the groundwork for a never-ending stream of lawsuits. Lawsuits that are now the basis of an entire sector of professions. “We created the environmental lawsuit industry,” Krogh says.

If a proposed action would damage an innocent, the question must be asked: Is there another way? “Our target, Dr. Fielding, was a complete innocent,” Krogh says. “And yet we never asked if there was any other way. The question never came up.”

Fast Forward

These days, Krogh finds himself in the thick of things once again, facilitating the creation of a Regional Transmission Organization in the Northwest that would streamline transmission of electricity while at the same time providing a mechanism for deregulation of the power industry. It is a sticky and complicated business, one intended to prevent the supply shortages and price hikes of 2001, while at the same time ensuring that each company in the grid gets equal treatment. Accountability and autonomy at the same time.

Grid West, as the venture would be called, is in its third iteration already, the two previous efforts having failed to strike the balance some companies were looking for.

In the post-Enron era, there is probably no hotter place to be than brokering an association of energy interests.

Krogh says the lessons of his past and a more contemporary history of Enron’s collapse often play in the back of his mind, prompting him to look for those second and third-order consequences of decisions. Causing him to focus and encourage opposition opinions.

The players in the room know Krogh’s history, but most have worked with him for 20-odd years. It has ceased to be an issue.

But he occasionally makes light of his past, joking, “Is anyone taping this? I’m a little sensitive about taping.”

Those who’ve invited him as a speaker say there is a need for people like Krogh. Questions of ethics and integrity are a daily occurrence in the work world—not because people are innately dishonest or on the take, but because so many little decisions seem innocuous. Or certainly “not extraordinary” enough to warrant such serious analysis.

But the consequences of a trip-up are so ruinous that companies across the country are paying for independent agencies to help their workers blow the whistle on their supervisors or colleagues.

EthicsPoint, a Portland-based company formed in 2000, is making a business of providing secure online reporting systems to corporations. Would-be whistle-blowers can

report anonymously with the guarantee that their complaints will be relayed to someone not implicated in the alleged ethical breach.

Keith Halasy, spokesman for the company, says that while it has benefited from a new federal law, the Sarbanes-Oxley Act, which requires publicly traded companies to set up such reporting systems, exempt companies are signing up as well.

So far, about 700 companies have enrolled in EthicsPoint programs. Halasy says he believes it's because the consequences of an ethical eruption are so dire and the benefits of due diligence so obvious.

Prospective investors want to see that a company has a plan for ensuring compliance and preventing fraud and inappropriate workplace behavior—the kind of failures that invite criminal investigations and lawsuits. EthicsPoint officials point to a February study by Institutional Shareholder Services showing a direct relationship between tight corporate governance and stock strength.

Nonprofit companies are signing up, Halasy says, “because they realize how dependent they are on their good reputation. They’ve seen a lot of organizations wracked by scandal and they want the public to know they’re taking every precaution.”

Government officials, too, see the need for an ethical blueprint.

Hal Schlomann, executive director of the Washington State Association of Sewer & Water Districts, says ethics conundrums surface constantly, which is why he invited Krogh to speak at the group's spring conference this year.

Although the boards handle only local issues, ethical compromises affect the taxpayers and people's trust in government, and they happen all the time in small government. “Some are intentional,” he says. “Some are due to lack of knowledge.”

Commonly, they involve elected officials who attempt to do the public's business in private, either misunderstanding open meetings laws or resenting them because they can compromise an official's desire to be re-elected.

Others, Schlomann says, are truly trying to “enrich themselves” using their public positions. While he's uncertain as to whether these people can be converted, he says Krogh's cautionary tale might well be effective.

Mike Murphy, the Washington state auditor's liaison to local governments, sees similar ethical lapses. Himself a former liquor board commissioner, he knows elected officials are constantly offered opportunities to compromise the public's trust.

Like the time he was offered a tour of Scotland on the dime of a scotch whiskey company hoping to win the favor of the board.

Beverage vendors often pay the travel expenses of liquor control commissioners to conferences at posh locations. “The meetings alternate locations but to be sure, they’re not in Cleveland during wintertime,” Murphy says.

The vendor companies pay airfare, but in some states, commissioners still turn in expense reports for the mileage expenses they never accumulated—up to \$1,800 for some conferences. Washington state put the kibosh on the practice, but Murphy says, “I know it’s still going on in some states. It’s quite a scam.”

There are plenty of smaller ticket items—tickets to a Seahawks game, lunch out, dinner out. Most of the time, he says, elected officials don’t think their votes are being bought, but they are.

Then there are agencies whose employees “borrow” money from the public till and fail to pay it back, use public vehicles for private use, steal gas from the motor pool or equipment from the office. Murphy says most of these are caught by other public employees. “Ninety-nine percent of the time they’re not intending to steal. They think they’ll pay it back, but then they get behind and don’t.”

Murphy says he sees worse sins in private companies, such as independent auditors who delete references to accounting malpractices to avoid losing lucrative contracts.

Sacrifice (for Survival)

It’s not a popular message at a time when the “Survivor” mentality is in vogue and business people are engrossed in voting others off the island. Who would volunteer, for the greater good, to be the Weakest Link?

And yet, when proper use of Krogh’s moral toolbox points to an imminent ethical breach, it is a worker’s responsibility to do what is right. Even if it costs something, *or everything*, Krogh says.

It’s a challenge Krogh puts before law school students. What if your supervisor asks you to compromise a professional standard and your supervisor happens to be your mentor, who also happens to be your uncle who put you through law school? What if he’s in charge of approving candidates for partner?

“You’d be amazed how often this kind of thing happens,” he says.

The answer, of course, is to stand up and do the right thing, knowing you could lose your job, your livelihood, and an important relationship.

Could it be worse to simply compromise and preserve yourself? Yes, insists Krogh. It may not appear so, but he says, “honor is fundamental to your survival.”

And if you don't believe that, believe this, Krogh says: "It's a terrible way to live, having been caught."

Egil "Bud" Krogh is the author of "The Day Elvis Met Nixon," Pejama Press, 1994. He is in private practice at Seattle-based Krogh & Leonard.