When we began our journey ten years ago, we never imagined that the Rutgers Institute for Ethical Leadership would affect the lives of so many students, nonprofit leaders, their constituents, and the business community in New Jersey. We have been challenged and driven by the great demand for our programs and rewarded by the response of the many participants and generous benefactors, who believed in our vision, our mission and our potential.

The following pages describe the many programs and projects initiated over the last 18 months.

In the nonprofit sector, the Prudential Nonprofit Executive Fellows Program and the Victoria Foundation Emerging Leaders Program graduated their first cohorts. Both of these programs will continue as will the Certificate in Nonprofit Leadership for executive leaders and, through the generous support of the American Express Foundation, a continuation of the emerging leaders track, as well.

At Rutgers, the Institute joined forces with the administration of the Business School to launch the Academic Integrity Initiative. Our goal here is ambitious, but we believe a very important one: to make Rutgers Business School (RBS) the exemplar among business schools that graduates students known for their ethical behavior and integrity. We have engaged many in the business school community - faculty, staff, student club leaders and students, the administration and a group of Institute ambassadors, all dedicated to our mission. To complement this initiative, we launched Ask the Rutgers Ethicist, a confidential online communication forum for anyone facing an ethical dilemma. RBS ethics faculty provide answers to these sometimes thorny questions. Finally, the Institute continues to financially support the impressive research produced by our Ethics Faculty and Ph.D. students.

Our greatest recent strides are with the business community. We developed our Customized Ethical Leadership Training Program, which has already provided a number of major global companies headquartered in New Jersey with training in ethical problem solving. The Customized Training Program is accomplishing our objective of helping to improve the ethical culture within business, while also providing us with a diversified source of ongoing income for the Institute. Later this year, we will introduce a Mini-MBA™ program in Ethical Leadership, a certificate for executives and aspiring managers interested in honing both leadership techniques and ethical behavior. Finally, we also established an Executive Business Cabinet, comprised primarily of New Jersey top CEOs, to extend our reach and impact further into the community.

Our accomplishments are possible because of the talented Institute management team and because of our many partners. We especially thank Prudential for helping to establish the Institute and continuing to support our work these last ten years. Except for the well appreciated in-kind services we receive from RBS, the Institute is self-funded. This year, we met the ambitious goal of raising $2 in new funding for each $1 of our Prudential Foundation grant. The Institute’s work is recognized by a growing list of corporate and foundation supporters - a testament, we believe, to the need and quality of our work in the field.

We look forward to continuing this journey with you in 2014 and beyond.

With our thanks and best wishes,
“You have to manage corporate social responsibility, ethics and compliance holistically and integrate them into the business strategy.”

– Jacqueline E. Brevard, Esq., Vice President, Chief Ethics & Compliance Officer, Merck & Co., Inc. (retired)

“Millennials are genuinely concerned with corporate social responsibility issues, so it’s imperative for businesses today. If they want to be successful and they have these young people working, then they’ve got to take this into consideration in their operations, decisions and policies.”

– Archie Carroll, Ph.D., Professor Emeritus, University of Georgia
The Institute’s programs and expanded partnerships make it possible to reach a wide audience of leaders, further enhancing our ability to develop targeted programming to help them effectively navigate complex leadership and ethical issues.

Ethical Leadership Conference

Understanding socially responsible investing begins with understanding social responsibility. The 2013 conference, *Ethics in Action: A Conference on Corporate Social Responsibility (CSR)*, drew nearly 200 participants plus industry leaders from companies including American Express, Participant Media, Wells Fargo, Campbell Soup and Hess for a day full of interactive discussions and strategies. Attendees asked candid questions and engaged with academic and practitioner experts regarding CSR challenges. Participants received an inside look into the multi-stakeholder benefits and considerations for CSR and walked away with knowledge about how to address key issues in their own organizations.

Featured 2013 keynote speakers:

- Jim Berk, *Chief Executive Officer*, Participant Media, the film company behind *Lincoln*, *Contagion*, and *Waiting for “Superman”*
- Archie Carroll, Ph.D., *Professor Emeritus*, University of Georgia, Recipient of the 2012 Lifetime Achievement Award from the International Conference on CSR
- Timothy J. Mcclimon, *Vice President, CSR*, American Express, and *President*, American Express Foundation

"You really have to approach this work from the standpoint of having a heart, but you have to have a brain and you have to have courage as well. You have to have your eyes wide open and approach it very much from a business standpoint."

– Timothy J. Mcclimon, *Vice President, CSR*, American Express
AECOM, Covanta, Audible.com, Rising Tide Capital and CSRwire discussed how businesses advance sustainability inside their doors and within the community. Participants aptly engaged in the dialogue and were encouraged by former BP and UN advisor, and author, Christine Bader, to find their voice and take actionable steps to ensure ethical leadership is core to their organizations.

**Speaker Series**

Our Speaker Series in Fall 2013 and Spring 2014 offered continuing education credits for professionals in business, ethics and compliance. The autumn event, in collaboration with Rutgers School of Law–Newark, explored the response to ethical and legal crises experienced by corporate officers and attorneys. While different vantage points of leaders in these positions can lead to misunderstandings, miscommunication and poor outcomes, the series helped leaders see each other’s perspectives, anticipate challenges and chart a course for more effective dialogue and understanding.

The spring Speaker Series, featuring a presentation by Reatha Clark King, Ph.D., Chairwoman of the National Association of Corporate Directors, examined a board’s ethical responsibility during a crisis. The half-day event included Dr. Clark King’s perspectives, as well as challenges in corporate public and nonprofit board governance. Participants re-enacted a realistic ethical crisis, learning to manage the situation while enhancing their organization’s ethical standing.

**Ask the Rutgers Ethicist**

Within and outside offices and classrooms, individuals faced with ethical dilemmas often do not know where to turn for advice. In response, the Institute launched its *Ask the Rutgers Ethicist* online forum – a confidential platform that provides feedback to individuals on principles of ethical decision-making specific to each unique scenario.

**Customized Programs and Continuing Education**

The Institute offers customized ethical leadership training programs, a Mini-MBA™ in Ethical Leadership, and external speaking engagements that provide expertise needed to manage unique ethical challenges faced by managers and executives.

Our curricula and presentations focus on a range of topics related to ethical leadership and best practices. Delivered by leading ethics, risk and compliance experts, our external programs include learning experiences, customized case studies, and ethical challenges faced by business, nonprofit and government professionals.

Among others, the Institute has presented to the following groups and organizations:

- Association of Inspectors General
- Cushman & Wakefield
- Dutch Association of Cultural Trustees
- Ethisphere Institute
- Freie Universität, Berlin
- KPMG LLP
- Mercer County Bar Association
- New Jersey Corporate Compliance Roundtable
- Novartis
- N.Y. Chapter of the Investment Management Consultants Association
- Planned Parenthood of Metropolitan New Jersey
- Prudential Financial
- Rutgers Business School MBA Accounting Orientation
- Solix, Inc.
- The Conference Board
- TOTE Inc.
- U.S. Army’s Senior Leadership Development Program
- Valley National Bank
The Prudential Foundation Nonprofit Executive Leadership Fellows

The Institute’s most in-depth leadership development program, The Prudential Foundation Nonprofit Executive Leadership Fellows Program, graduated its first cohort in June 2013, and a new group began in September. The program brings together nonprofit senior executives each month, for 20 months, to provide formal instruction, peer support, creative solutions and one-on-one coaching.

Leaders Common Ground

Leaders Common Ground assembles eight to ten nonprofit senior executives and a facilitator for monthly peer group sessions to explore challenges that leaders face. During the three-hour group sessions, discussions cover real-life issues of governance, board and staff relations, ethical leadership, strategic planning, fundraising, financial management, program development, as well as other topics of common concern.

Since 2005, the program has benefited more than 45 organizations throughout the region.

"Very insightful. I am very much looking forward to implementing this life and career plan!"

– 2013 Program Attendee
Nonprofit Executive and Emerging Leaders Certificate Program

More than 35 nonprofit executives and mid-level managers participate in this annual three-day leadership program, focusing on personal and professional leadership. The rigorous and engaging curriculum, which in 2013 concluded its ninth year, is designed to provide education and help managers develop action steps that they can implement.

Participants receive training in board relations, communications, fundraising, Emotional Intelligence, evaluation, ethics and finance, which assists them in developing business and strategy skills. In April 2014, the 2013 alumni met for a half-day follow-up session to share their progress and reconnect with their peers.

Among others, guest presenters included:

- Rebecca Freed, Counsel, Corporate Political Activity Law, Non-Profit and Tax Exempt Organizations, Genova Burns Gianomasi & Webster
- Karin Grantham, Vice President of Human Resources, Johnson & Johnson
- James Roe, President and CEO, New Jersey Symphony Orchestra

Capacity Building Conference

In August 2013, more than 250 nonprofit executives, board members, emerging leaders and experts participated in the joint conference between the Annual Nonprofit Capacity Building Conference and the Alliance for Nonprofit Management. The attendees shared insights on leadership development and national trends to increase organizational effectiveness. The annual event receives ongoing support from the Victoria Foundation and The Prudential Foundation. This year new sponsors, New Jersey Health Initiatives and U.S. Trust, joined this collaborative effort.

"By far the best ethics class I have attended..."

— 2013 Program Attendee

“I was able to grow and nurture my leadership skills while setting accountable personal and organizational goals. While participating, Jazz House Kids successfully transitioned to a new, expanded space, created departments to align with the mission and core business needs and expanded staff.”

— Melissa Walker, Founder and CEO, Jazz House Kids, Fellows Program graduate
The Student Experience

Rutgers Business School (RBS) students frequently emphasize that having exposure to current leaders is an invaluable part of their education. The Institute connects leaders with student groups and works closely with them to offer relevant, compelling programming. Through close partnerships at Rutgers, the Institute delivers programming that empowers undergraduate and graduate students to integrate their values when faced with complex ethical dilemmas. These collaborative programs equip students with decision-making and critical thinking skills to help them become strong ethical leaders.

Partnerships for Student Programming

Each year, student groups hold events featuring top-tier business leaders who give an inside perspective into how their education can be applied to future careers and leadership capacity.

The Institute collaborated with Net Impact, a MBA student group that focuses on how business can create a more sustainable world, and Rutgers Undergraduate Women in Business (RUWIB), a club that unites young women and others who support women in leadership positions. Together, the Institute, with various student clubs like Net Impact and RUWIB, present programs that increase dialogue around every day ethical leadership issues. Some recent presentations and speakers include:

• Beyond the Bottom Line: Pursuing a Career in Corporate Social Responsibility – featuring Brian D. Agnew, Senior VP for Development at Robert Wood

“I’m very glad to see that the Institute for Ethical Leadership exists within a business school – not as a philosophical department, but as an applied department within a business school that can take a very direct role in educating future leaders.”

– Michael Barnett, Vice Dean for Academic Programs, Rutgers Business School
Johnson University Hospital; Marion O’Neill, Manager of Corporate Contributions of the PSEG Foundation; and Robin C. Rotenberg, VP, Corporate Communications and Chief Communications Officer of BASF Corporation

- Ethical Leadership Symposium – speakers included Suzanne Kiall Benedetto, CEO, Broker of Record, Hopkins, Sampson & Brown Real Estate Advisory Services, LLC; Annette Johnson, Director, Global Business Ethics & Integrity, Prudential Financial; and Victoria Sweeney, Principal, Legal and Compliance, KPMG LLP
- A discussion on Ethical Leadership featuring Gregory Sauter, former Executive Vice President, Chief Corporate Officer at AECOM
- From Entrepreneur to Global Business Leader: Ethics & Leadership – Why it matters as a startup and around the globe, presented by Rajesh Sinha, CEO and Founder of Fulcrum Worldwide.

The Institute also partners with RBS Student Services Departments to present sessions that focus on addressing ethical dilemmas, Emotional Intelligence, values, and applying the Institute’s decision-making model. The Institute teaches two undergraduate sessions as part of the required Business Forum course and presents a leadership workshop, RU prepared to do the right thing? Ethics and Leadership – Why it Matters on the Job, for the Office of Career Management.

“[The] Ethical Leadership Conference…introduced us to industry leaders…For a business student, being exposed to current leaders is an extremely valuable experience outside of the classroom.”

– Froozan Makhdoom, RBS Class of 2014 and former President of Rutgers Undergraduate Women in Business

Academic Integrity Initiative

RBS senior leadership and the Institute share a strong commitment to our students, who represent the leaders of tomorrow. Together, we have implemented a series of lunch-and-learn sessions and cooperative programs with student groups to enhance the culture of academic integrity. The next stage will be selecting student intern ambassadors, who will be charged to develop communication strategies and an execution plan. We look forward to the impact of this academic initiative on current and future students.

This year, we also announced the Donald L. McCabe Academic Integrity Award, which is presented to a student, faculty or staff member who represents and promotes the values of academic integrity at RBS. Our inaugural recipient is the “founding father” of academic integrity research, Donald L. McCabe, RBS Professor of Management and Global Business.

“[At AECOM] it isn’t just about having core [business] values; it’s also about living them.”

– Gregory Sauter, formerly of AECOM, RBS MBA alumni and Institute Advisory Board member
“RU Ethical?” Staff Lunch-and-Learn Sessions
As part of our commitment to strengthening the ethical culture at RBS, the Institute hosts quarterly lunches for RBS staff to discuss ethics and related topics. Sessions have included a lively discussion of “Why good people do bad things,” led by Research Director Ann K. Buchholtz, Ph.D., and “How do your actions impact the Rutgers reputation?” by Ted Brown, former Senior Vice President and Rutgers Chief Enterprise Risk Management, Ethics and Compliance Officer.

Academic Research
The Institute’s role includes strengthening business ethics research at RBS. We provide funding to support our students, professors and researchers who incorporate ethics into their academic work. Ann K. Buchholtz, Ph.D., plays a key role in engaging with the academic community to expand ethics scholarship and research throughout Rutgers.

The Institute also helps make important data on business ethics and corporate social responsibility accessible. For instance, the Kinder Lydenberg and Domini (KLD) database, funded by the Institute, is available to all RBS faculty and doctoral students through Wharton Research Data Services. The most widely used measure of corporate social responsibility in academic research, this database ensures that students and teachers across all disciplines have access to best practices while increasing the reach of the Institute’s principles and role in fostering ethical leadership throughout the University.

Steven J. Diner Ethical Leadership Award
The Institute honored Alfred C. Koeppe, Chief Executive Officer (retired) of the Newark Alliance, as the 2013 recipient of the Steven J. Diner Ethical Leadership Award. The award recognizes Mr. Koeppe’s long-term commitment to strengthening civil society through ethical leadership in Newark and on behalf of the state of New Jersey.

Each year, the award recipient selects a Newark-based nonprofit organization to receive a monetary prize. Koeppe selected St. Benedict’s Preparatory School for its work in educating young men to be future leaders. Father Edwin Leahy, headmaster of St. Benedict’s Prep, accepted the award on the school’s behalf.
Business Cabinet
Executives Leading with Vision, Integrity and Purpose

The Institute’s Executive Business Cabinet, chaired by Gregory Khost, Managing Director at U.S. Trust, is a forum for ethical leaders to network, gain knowledge, share concerns and make progress on the collective ethical leadership agenda. The Executive Business Cabinet also advocates for and is a resource to enhance the reputation, quality and financial viability of Institute programs, services and operations. Additionally, this team is the driving force in forging external relations for the Institute, through corporate, foundation and individual funders, sponsors, potential speakers and collaborations.

- Frederick A. Bertoldo, Regional President Northern New Jersey, Wells Fargo
- Kevin Cummings, President and CEO, Investors Bank
- Bernard Flynn, President and CEO, NJM Insurance Group
- Robert C. Garrett, President and CEO, Hackensack University Medical Center
- Gregory Khost, Managing Director, U.S. Trust, Bank of America Private Wealth Management
- Scott A. Kobler, Partner, McCarter & English
- Alfred C. Koeppe, Esq., CEO (retired), Newark Alliance
- Robert A. Marino, Chairman, President and CEO, Horizon Blue Cross Blue Shield of New Jersey
- Gregory Sauter, former Executive Vice President and Chief Corporate Officer, AECOM
- Linda A. Willett, Esq., Senior Vice President, General Counsel and Secretary, Horizon Blue Cross Blue Shield of New Jersey

MAJOR DONORS

The Institute extends heartfelt gratitude to our significant donors and business members, whose vital help has provided our programs with wide reach and success.

Annual business membership in the Institute is available at levels ranging from $1,000 to $50,000. Membership benefits include recognition in Institute literature, event sponsorships, customized ethical leadership training sessions and free admission to programs.

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Wells Fargo Bank
Membership with the Institute is open to individuals who share a commitment to making ethical behavior and personal integrity an important part of their lives. Member contributions support our mission and the programs and services we offer to help inspire and educate both leaders and emerging leaders. Annual participation levels range from $25 to $1,000, with benefits including discounts on Institute programs, VIP events and more. More information on membership can be found at business.rutgers.edu/iel/support/membership.

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The list of Institute members is as of June 2014.
A total of 2,387 people were served by the Institute in 2013.

**Breakdown by Sector**

<table>
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<tr>
<th>Sector</th>
<th>Percentage</th>
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<tr>
<td>Business</td>
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<td>Nonprofit</td>
<td>21%</td>
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January - December 2013

The Institute has several sources of funding.

**2013 Revenue**

FY July 2012 - June 2013

- Corporations & Corporate Foundations: 61%
- Rutgers In-Kind: 28%
- Private Foundations: 4%
- Earned Income: 2%
- Individuals & Major Donors: 5%

**2013 Expenses**

FY July 2012 - June 2013

- Programs: 75%
- General & Administrative: 20%
- Rutgers In-Kind: 5%
Rutgers Institute for Ethical Leadership Team

James Abruzzo, Co-founder
Alex J. Plinio, Co-founder
Ann K. Buchholtz, Ph.D., Research Director
Judy Young, Executive Director
Margaret Della, Program Director
Karen Uricoli, Development Director
Dana Bochna, Operations Manager
Jessica Johnson, Administrative Assistant

Advisory Board

Lee Augsburger, Senior Vice President, Chief Ethics and Compliance Officer, Prudential Financial, Inc.
Jacqueline E. Brevard, Esq., Vice President and Chief Ethics and Compliance Officer, Merck & Co., Inc. (retired)
Harold M. Davis, M.D., President, HMD Consulting, LLC
Steven J. Diner, Ph.D., Professor of History; and former Chancellor of Rutgers University - Newark
Susan Frank Divers, Assistant General Counsel for Ethics & Compliance, AECOM
Lauren A. Ferrari, Esq., Director, Office of Business Conduct, Alcatel-Lucent
Lawrence P. Goldman, Distinguished Practitioner in Residence, School of Public Affairs and Administration, Rutgers University – Newark; and former President and CEO of New Jersey Performing Arts Center (NJPAC)
Gregory Khost, Managing Director, U.S. Trust, Bank of America Private Wealth Management
Larry Leverett, Executive Director, Panasonic Foundation
Oliver Quinn, Principal and Senior Counselor, Taft and Partners
Gregory Sauter, former Executive Vice President and Chief Corporate Officer, AECOM
Glenn Shafer, Dean, Rutgers Business School
Melissa Smith Goldstein, Leadership Consultant
Keith Stock, Chairman and CEO, First Financial Investors, Inc.
Michael J. Van Wagner, Vice President - Public Affairs, NJM Insurance Group
Benjamin S. Wolfe, Managing Director, ButcherMark Financial Advisors LLC

Student Representatives:
Tania Apicella, MBA Candidate, Class of 2015, President, Net Impact, Rutgers Business School
Mark Boffa, MBA Class of 2014, Rutgers Business School