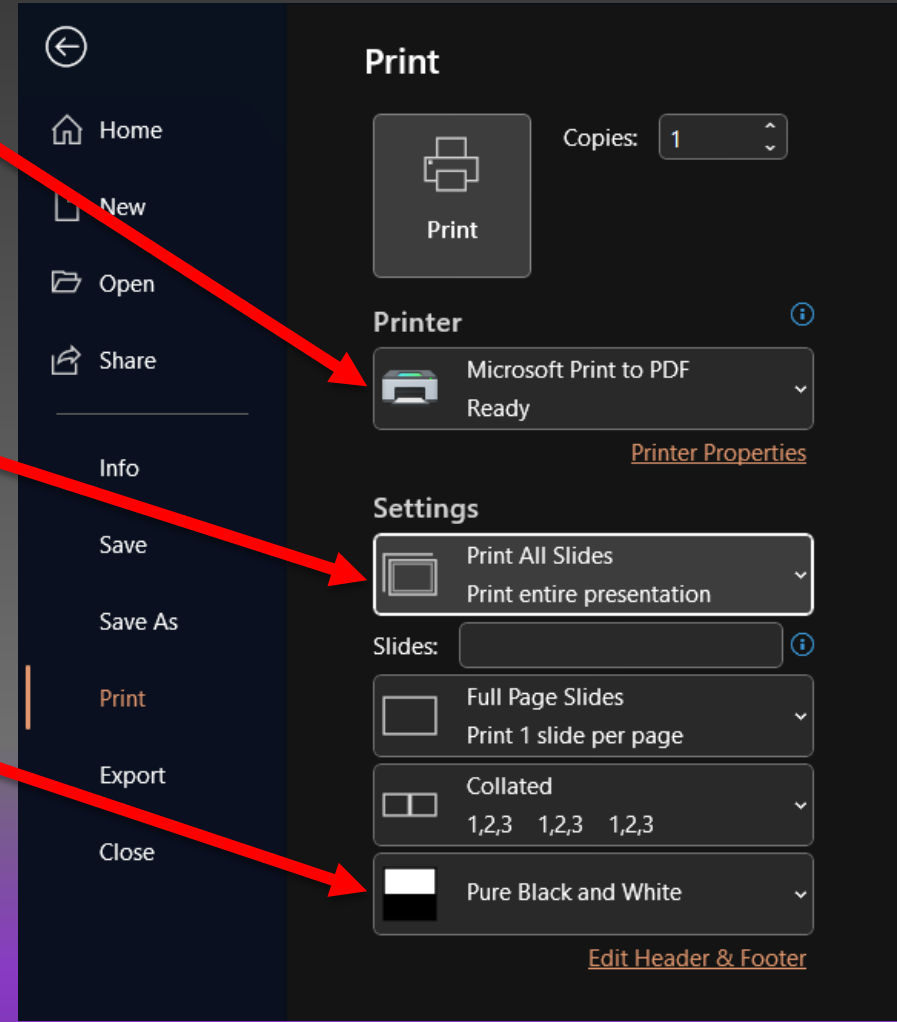
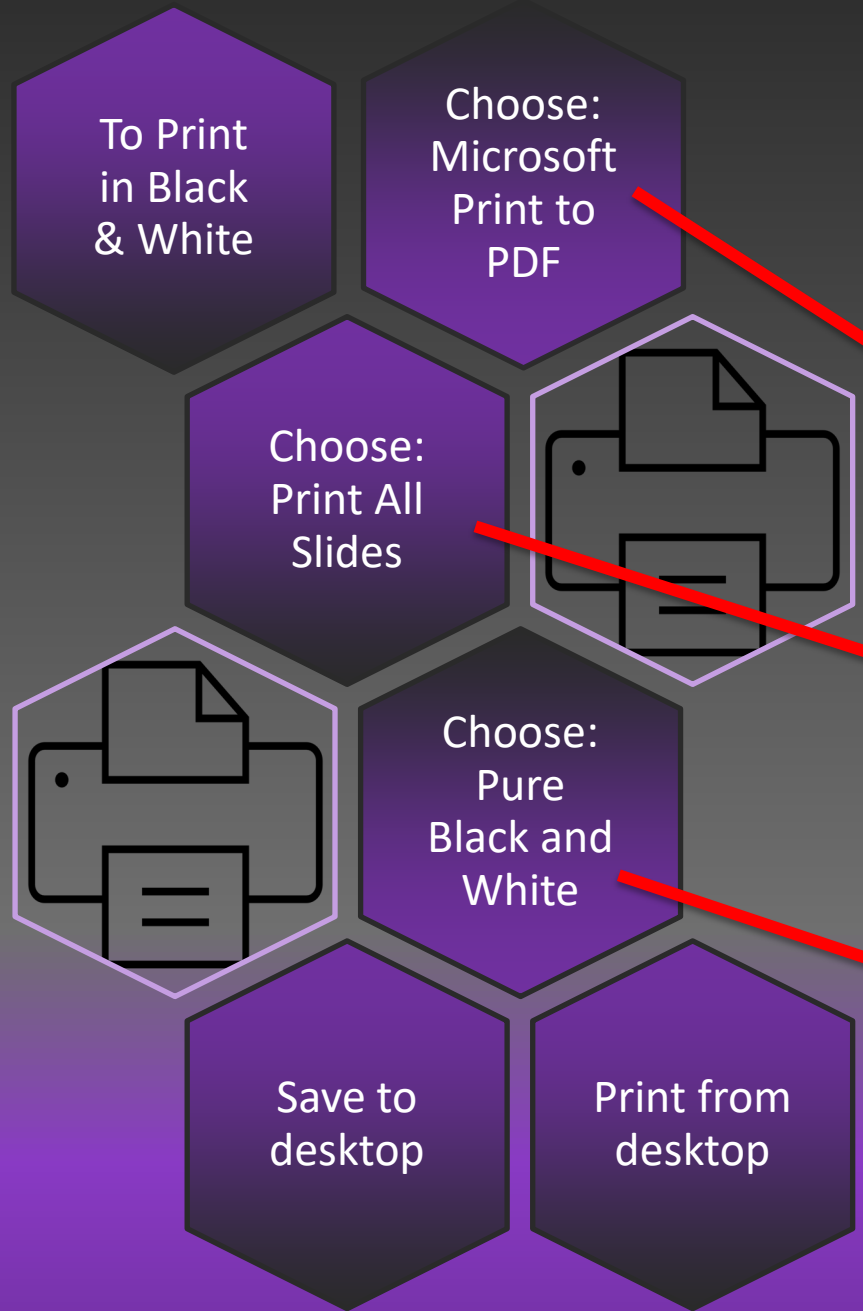


Behavioral Ethics Under Fire:
The CPA in a World of Stress, Violence, and Addiction

If you want to print this slide-show in black and white, please review the instructions on the next slide. The slide show starts on slide three hereafter.



Behavioral Ethics Under Fire

Presented
by Carolyn J.
Woodruff,
JD, CPA, CVA

The CPA in a
World of
Stress,
Violence,
and
Addiction

Woodruff
Law Firm,
P.A.

“The Mayberry Moment”

“... sometimes a man’s got to check himself in before he checks out”

The wisdom to see when you’re off balance and the humility to do something about it before harm is done



Behavioral Ethics & Why it Matters



Why do good professionals sometimes make bad choices?



Overview of Topics

- I. Definition of Behavioral Ethics.
- II. Domestic Violence: CPA workplace, home, community.
- III. Addiction and the CPA: workplace, home, and community.
- IV. Personal Balance Sheet: Guarding business, your family, and community.
- V. Summary: A Call to Courage.

I. Definition of Behavioral Ethics

Behavioral ethics – the study of how and why ethical people make unethical choices.



Behavioral Ethics

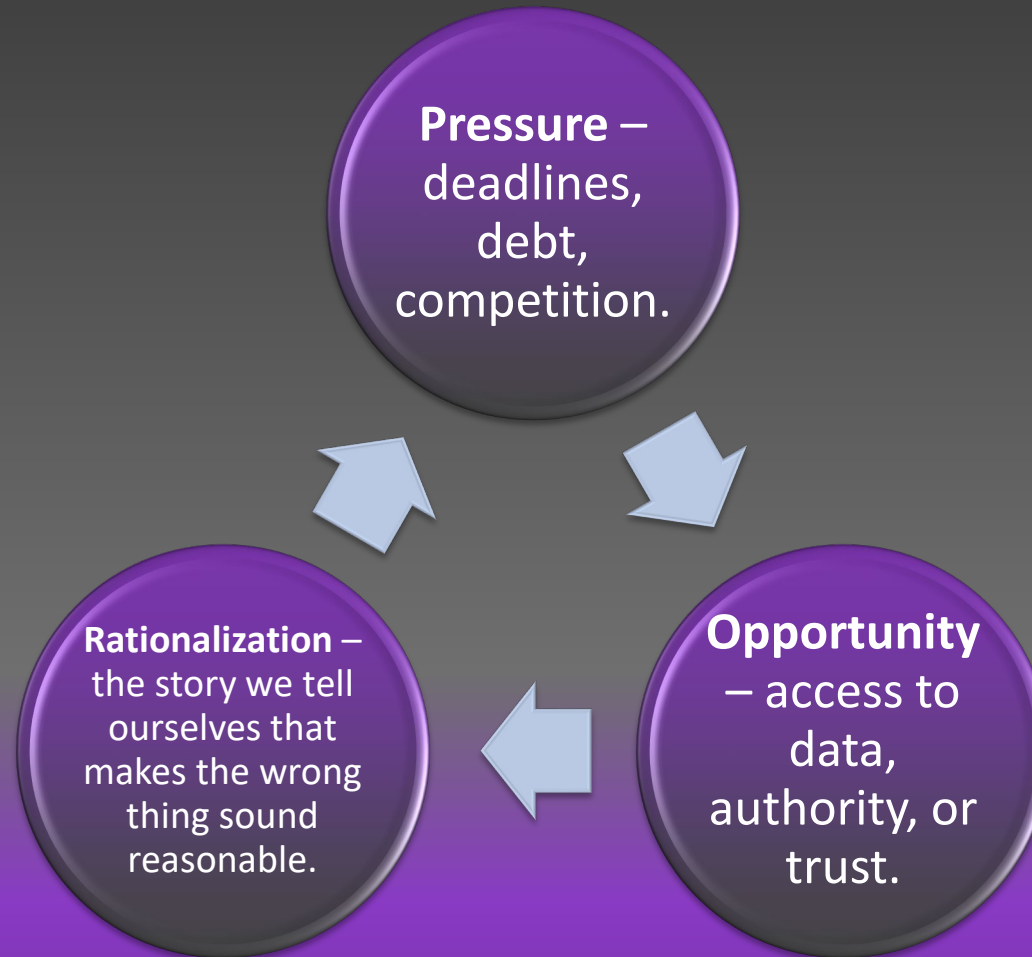
- Traditional Ethics:
What is right?
- Behavioral Ethics:
Why do good people
sometimes do wrong?

Behavioral Ethics: Core Concepts



- Bounded Ethicality – cognitive impairment; emotional pressure.
- Ethical Fading – Moral dimension fades when reframed as technical or business choice.
- Incrementalism – Small lapses accumulate over time.
- Self-Serving Bias – Interpret facts to your favor.

Triangle of Trouble



The AICPA Code of Professional Conduct

| Principle | Essence | Behavioral Challenge |
|--|---|--|
| Integrity (§ 0.300.040) | Do what's right, not just what's allowed. | "Everyone does it" thinking. |
| Objectivity & Independence (§ 0.300.050) | Avoid conflicts of interest. | Emotional loyalty to a client or boss. |
| Due Care (§ 0.300.060) | Maintain competence and judgment. | Fatigue, stress, or impairment. |

Why It Matters to CPAs





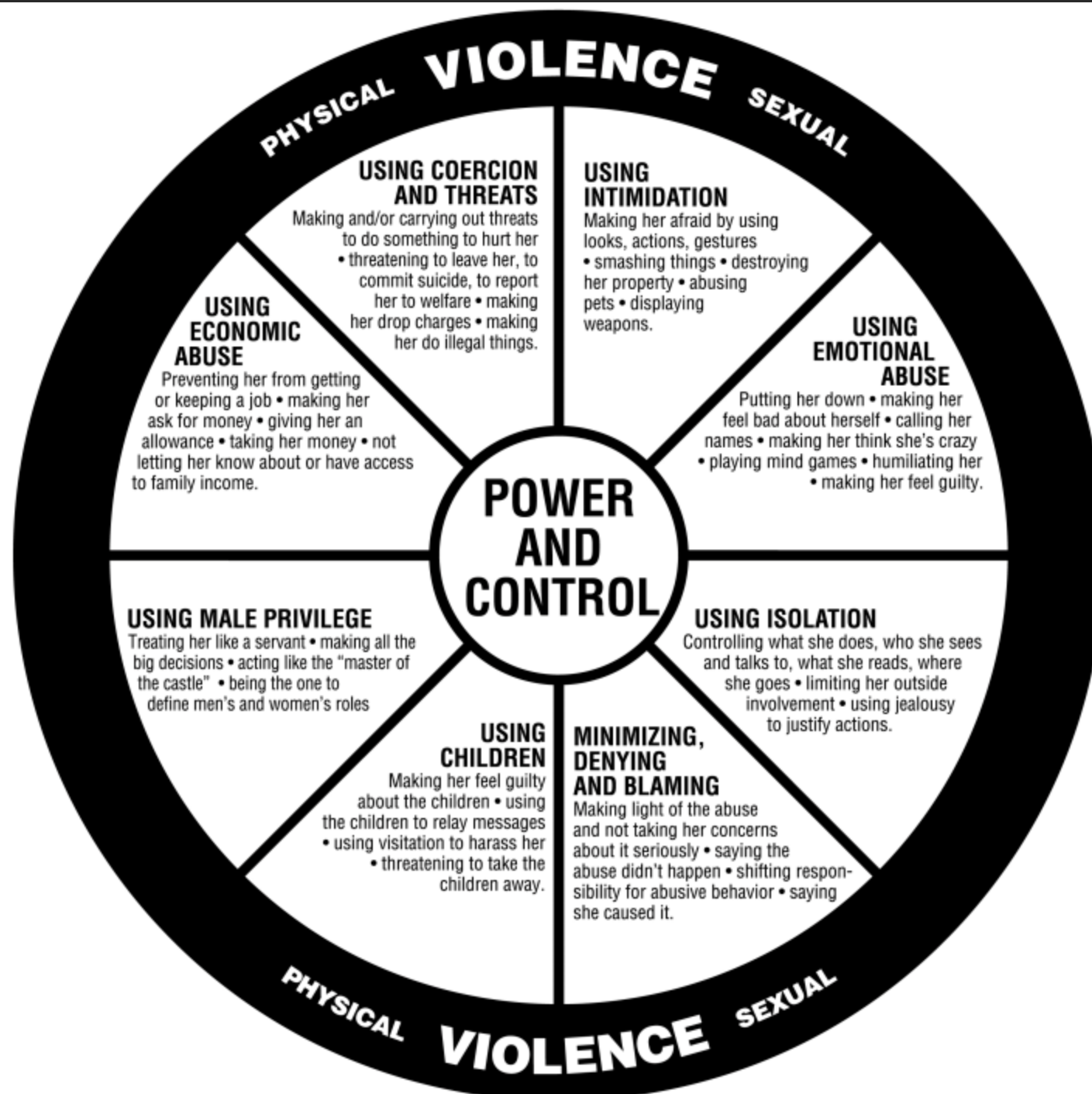
II. Domestic Violence and the CPA



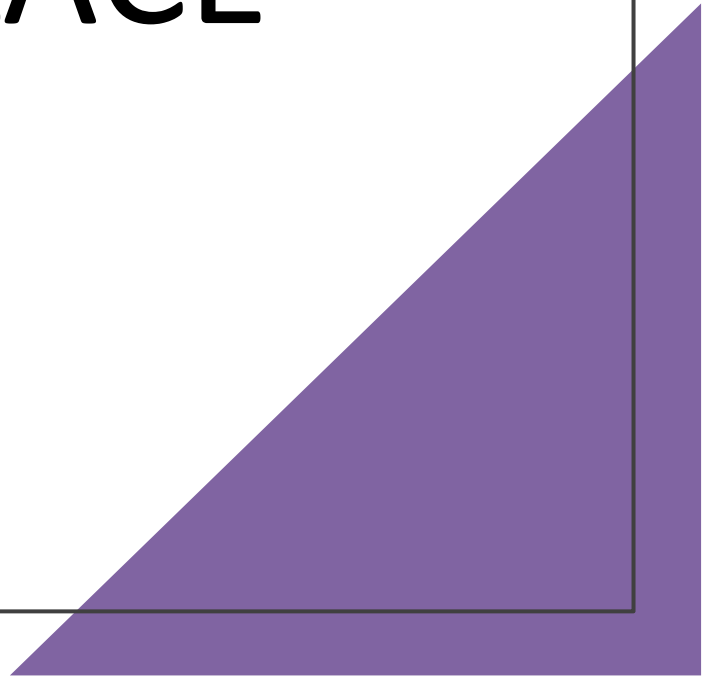


A Broad Definition of Domestic Violence

Power and Control Wheel explains behaviors, but not all are necessarily actionable as Domestic Violence with the police or the court.



II. A. CPA: DOMESTIC VIOLENCE IN WORKPLACE



Workplace Statistics

21 % of employees report partner violence;



74 % of victims are harassed at work;



Businesses lose roughly \$8 billion a year in costs.

CPA: Domestic Violence in Workplace

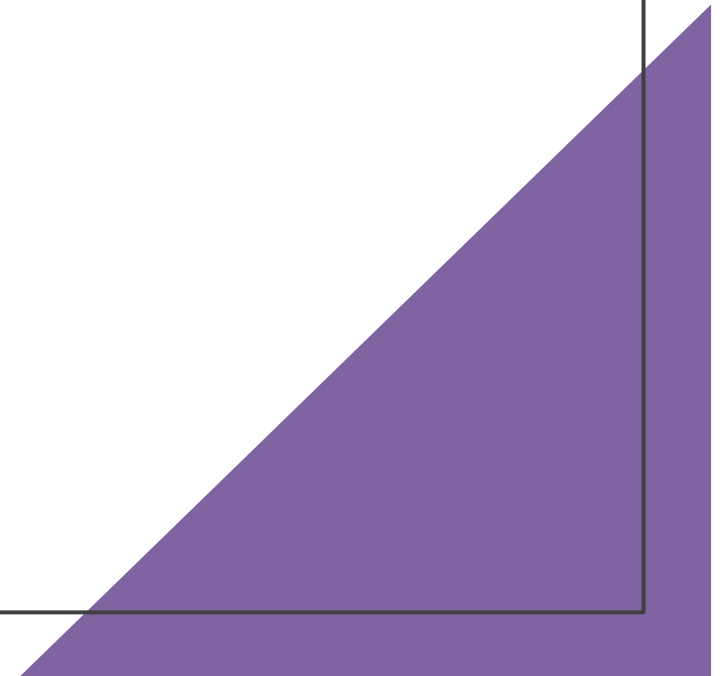
- Section 50C-1 (Civil No-Contact Order): Covers stalking or harassment by someone outside a personal relationship.
- Designed to protect employers/employees.

50 C Case Law Example

The plaintiff lives across the street from the two sisters who were defendants.

Requires harassment with intent to either 1) place the person in fear of safety or 2) cause emotional distress by fear of death, injury, or continued harassment.

St. John v. Brantley and Brantley, 217 NC App 558 - affirmed.



Financial Control as Abuse

One spouse closes online-banking access to the other “for security.”

A business-owner husband reports the wife as an “employee” to manipulate payroll deductions.

Credit cards opened in the victim’s name, debts hidden through false QuickBooks entries.

Law, Tax & Ethics

Under IRC § 6015 (Innocent Spouse Relief), coercion negates consent.

When fear forces a signature, our ethical duty of integrity demands caution.

II. B. CPA Domestic Violence: Personal.

§ 50B-1 (Domestic Violence):

Allows a victim to seek a protective order when subjected to abuse by a personal relationship.

NC Domestic Violence Statistics

43.9 percent of NC women and 19.3% of men report intimate partner physical violence, sexual violence, and stalking..

1 in 3 women and 1 in 4 men have experienced some form of violence by an intimate partner.

Intimate partner violence accounts for 15% of all violent crime.

Source: National Coalition Against Domestic Violence.

II. C. CPA and Domestic Violence in the Community

- Awareness
- Service
- Role of the Family Justice Centers

Popular Culture Mirrors

Big Little Lies: A glossy portrait of domestic violence hidden behind wealth and image.

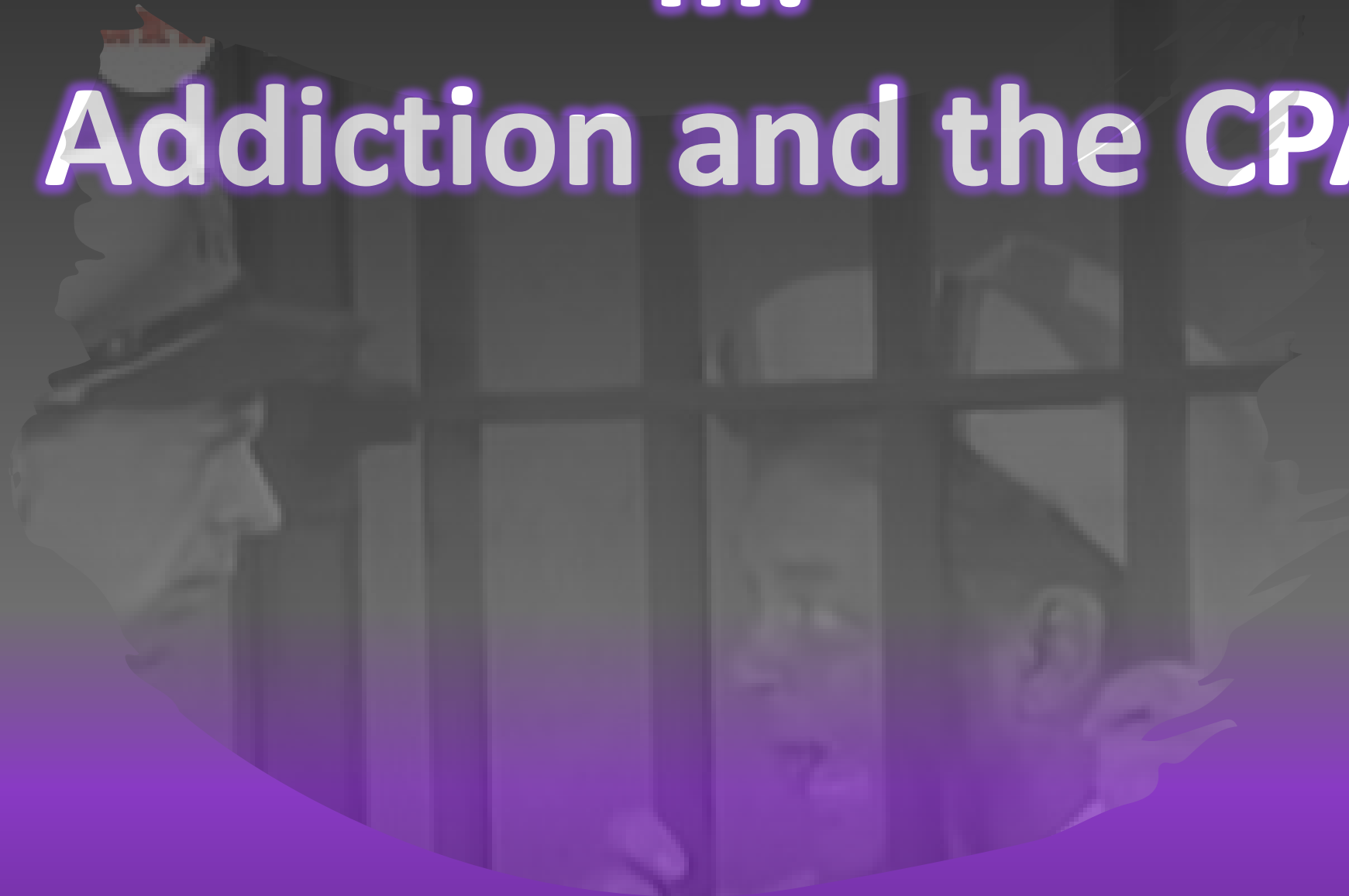
Ozark: Money-laundering meets marital fear; financial genius does not equal moral compass.

The Accountant: Ben Affleck's character illustrates how brilliance and trauma coexist—and how ethical boundaries blur under pressure.

Even ***Andy Griffith*** had episodes about gossip, fairness, and doing right when no one is looking—the gentler side of behavioral ethics.

III.

Addiction and the CPA

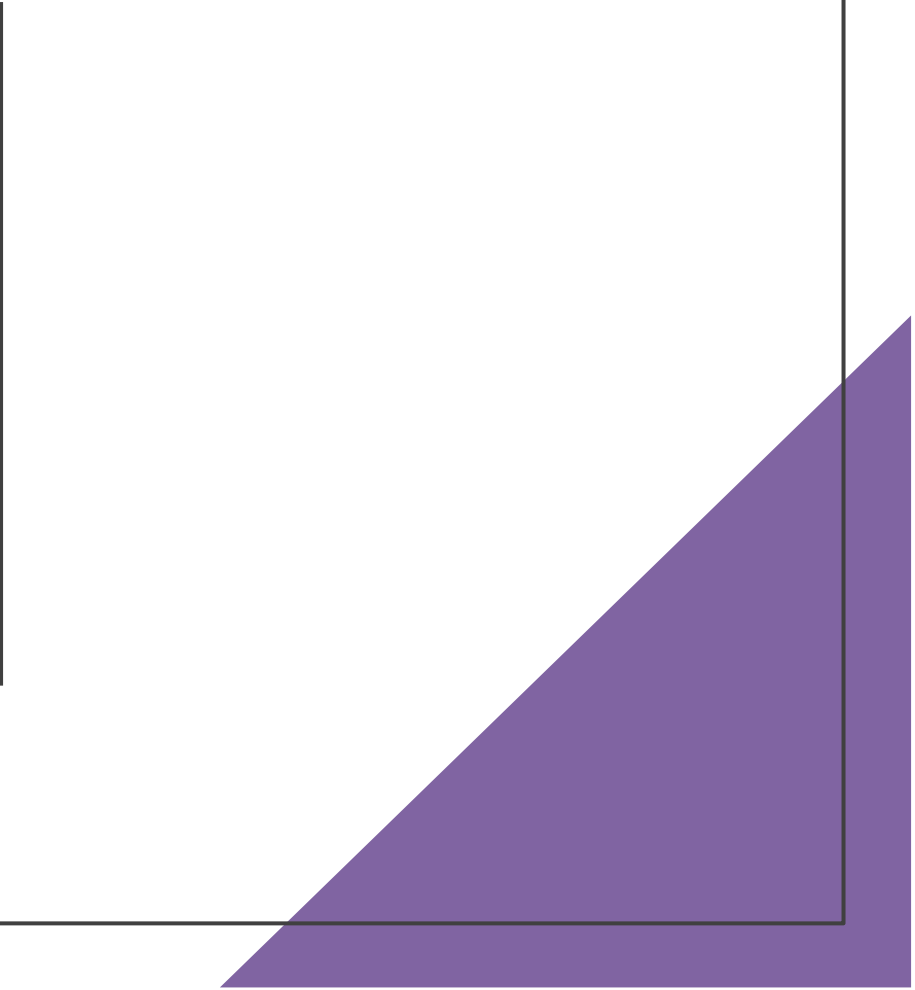








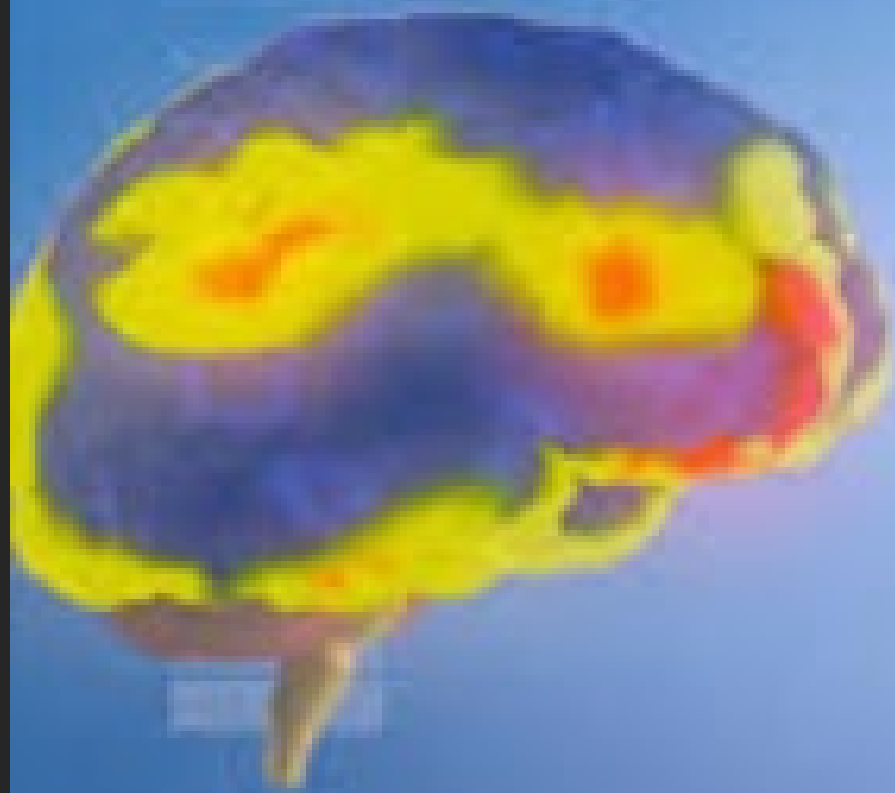
III. A. CPA and Addiction – the Workplace



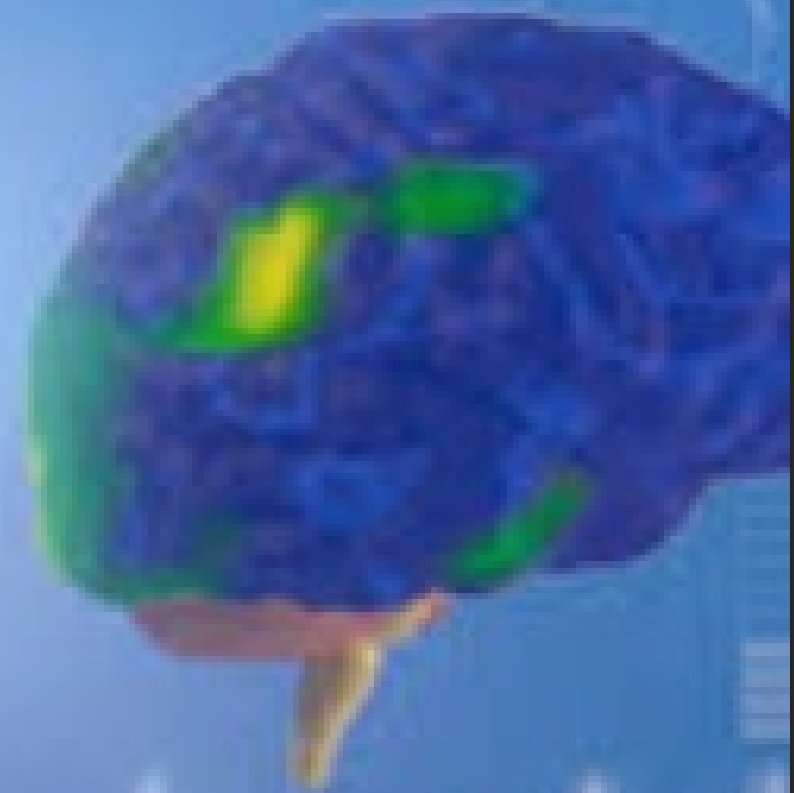
Substance Use & the AICPA Code

Impairment breaches **Due Care (§ 0.300.060)**. DWI or chronic absenteeism can trigger discipline under “Acts Discreditable.”

Functional Changes



Healthy Brain



Addicted Brain

CPA Statistics on Alcohol

1 in 5 young accountants say alcohol has negatively impacted their life. Pardo, *The Accountant*, April 27, 2023

Survey of 3,782 public accountants - alcohol is a cultural hallmark of firms. Knutson and Seifert, Alcohol Consumption and Socialization in Public Account Firms. May 5, 2025.

Alcohol Use Disorder

16.4 million men ages 18 and older - 12.9%

19.7 million women ages 18 and older – 8 %

Source: August 2025 Substance Abuse and Mental Health Services

Administration

Gambling & Financial Risk

Gambling's dopamine rush mimics drugs. For CPAs the rationalization sounds professional: "*I understand risk.*"

Thus begins the fraud triangle again—pressure, opportunity, rationalization.

If you call your March Madness bracket "statistical analysis," check your independence.

CPAs and Gambling Statistics

No surveys of CPAs specifically.

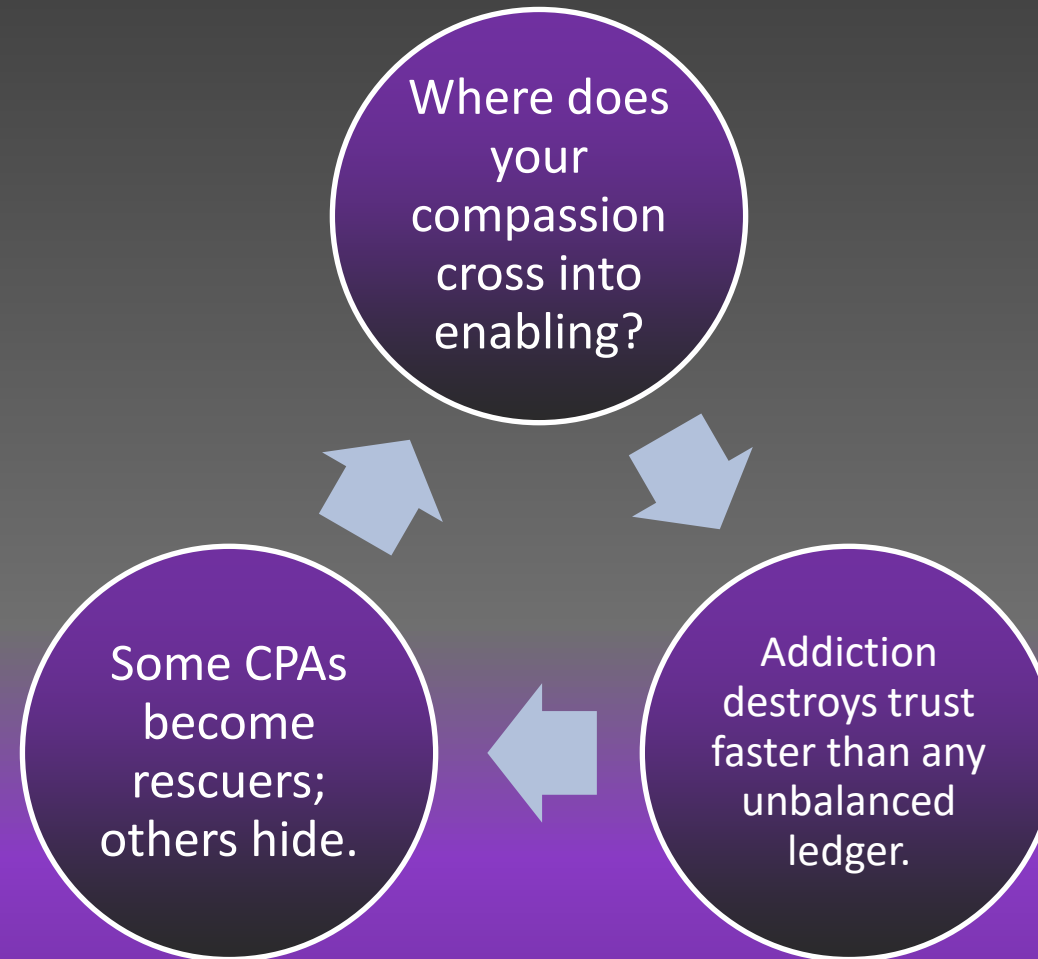
2.5 million US adults meet the criteria for severe gambling in a year. National Council of Problem Gambling.

5 to 8 million adults have mild to moderate gambling problems that create harm.

Growing problem in younger adults.

More men than women.

III. B. CPA and Addiction Family Dimensions



Addiction

A word about drug addiction.

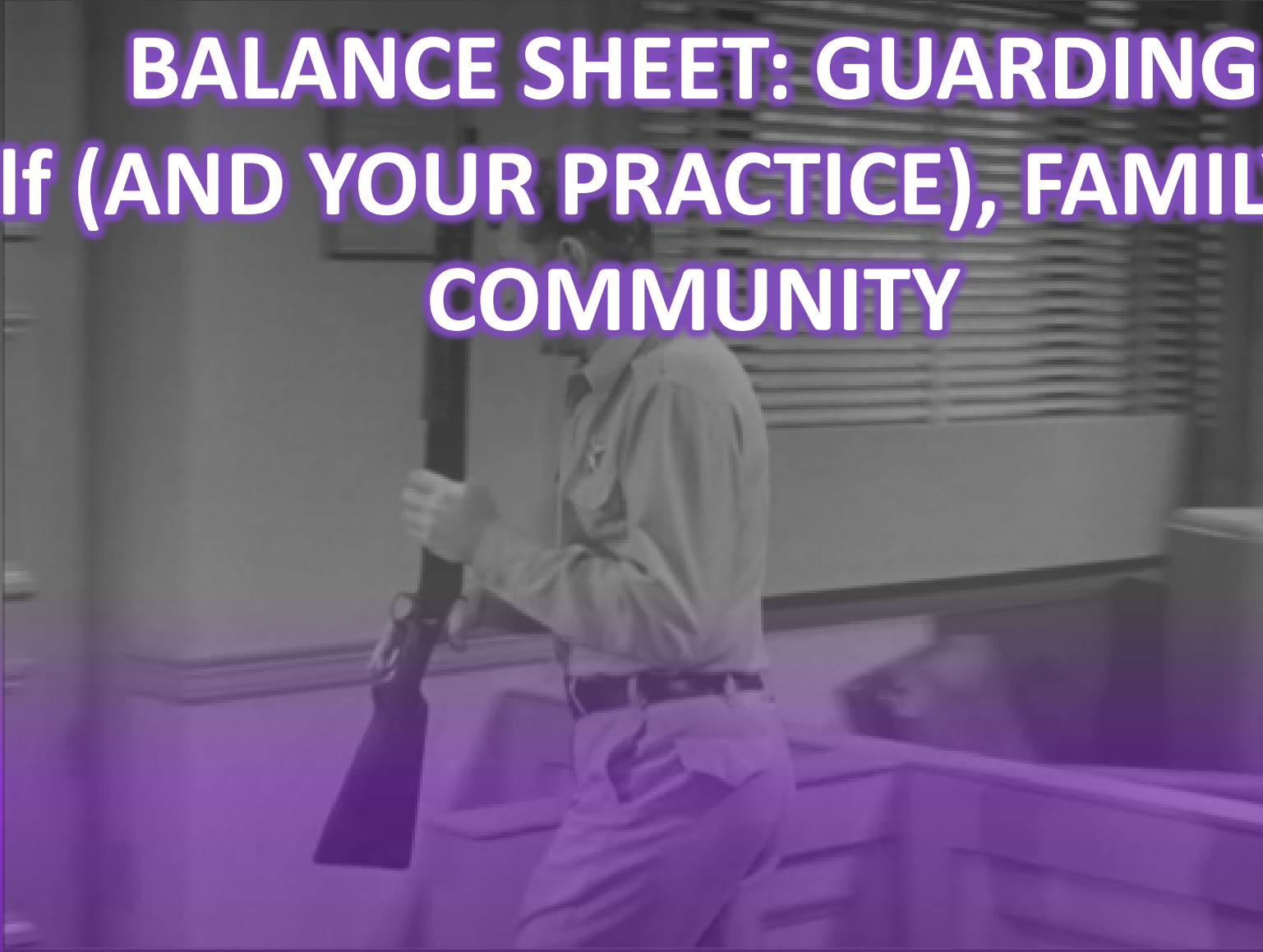
32 Percent of families report illegal drug problems in family. Gallup poll November 11, 2021.

Effect on Children and Grandchildren.

DSS Risk – Filing for Custody BEFORE DSS is involved with your Grandchild

IV.

**BALANCE SHEET: GUARDING
Self (AND YOUR PRACTICE), FAMILY and
COMMUNITY**



Hope & Humor

Recovery stories
abound.

Numbers mean
nothing if the person
adding them up is
broken.

The Myth of Perfection

We were trained for zero variances. But people aren't spreadsheets.

Perfectionism breeds shame; shame breeds concealment.

Self-compassion, research shows, predicts ethical behavior better than self-confidence.

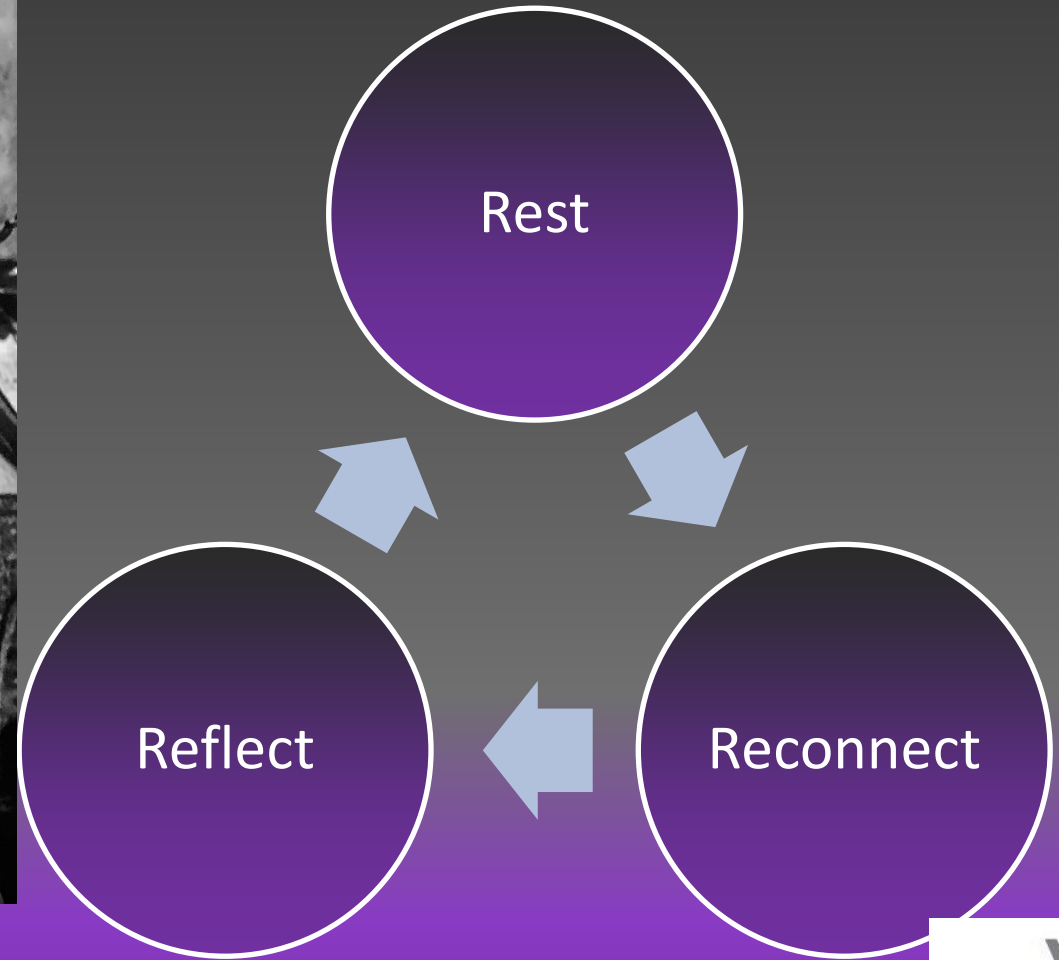
Internal Controls for Life

Segregation of Duties:
Have an accountability partner.

Reconciliation: Balance work and health.

Documentation: Write down your ethical red lines; reread them when tired.

Guard Against Cynicism



Protecting Family/Protecting Community

Practice transparency at home: open passwords, clear budgets.

Applying due care to yourself is not vanity—it's ethics.

Volunteer your skills

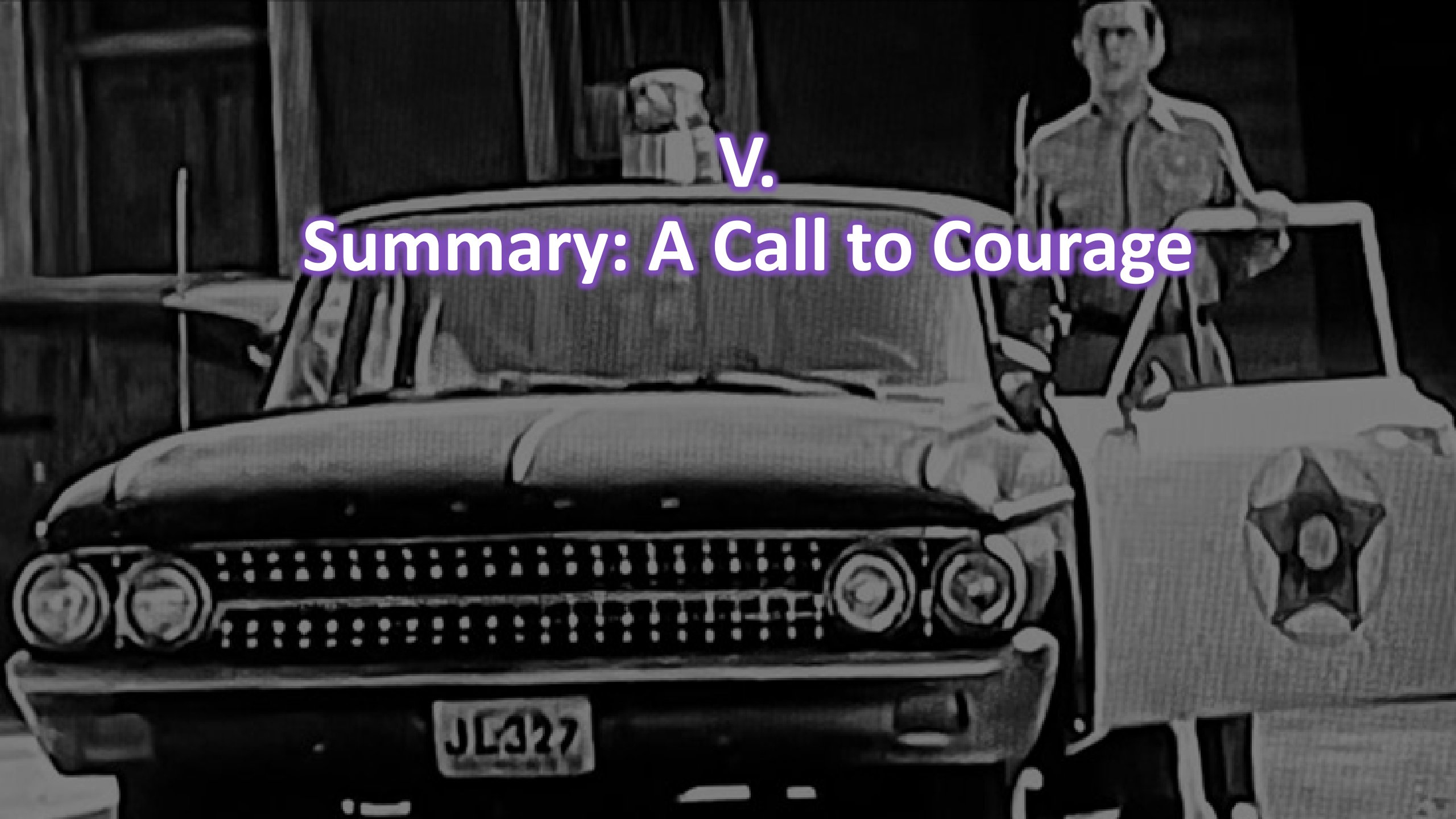
Folks follow your example faster than your memo.
(common aphorism)

The Community Role

As treasurers and civic leaders, CPAs hold fiduciary power.

Addiction plus access is perilous.





V.

Summary: A Call to Courage

Key Takeaways

Behavioral ethics reveals blind spots before they ruin us.

Domestic-violence awareness reminds us ethics protects people, not just numbers.

Addiction awareness shows integrity begins with self-care.

Balance is an ethical control procedure, not a luxury.

A Call to Courage



Closing Reflection

Which behavioral trigger shows up most often in your professional life?

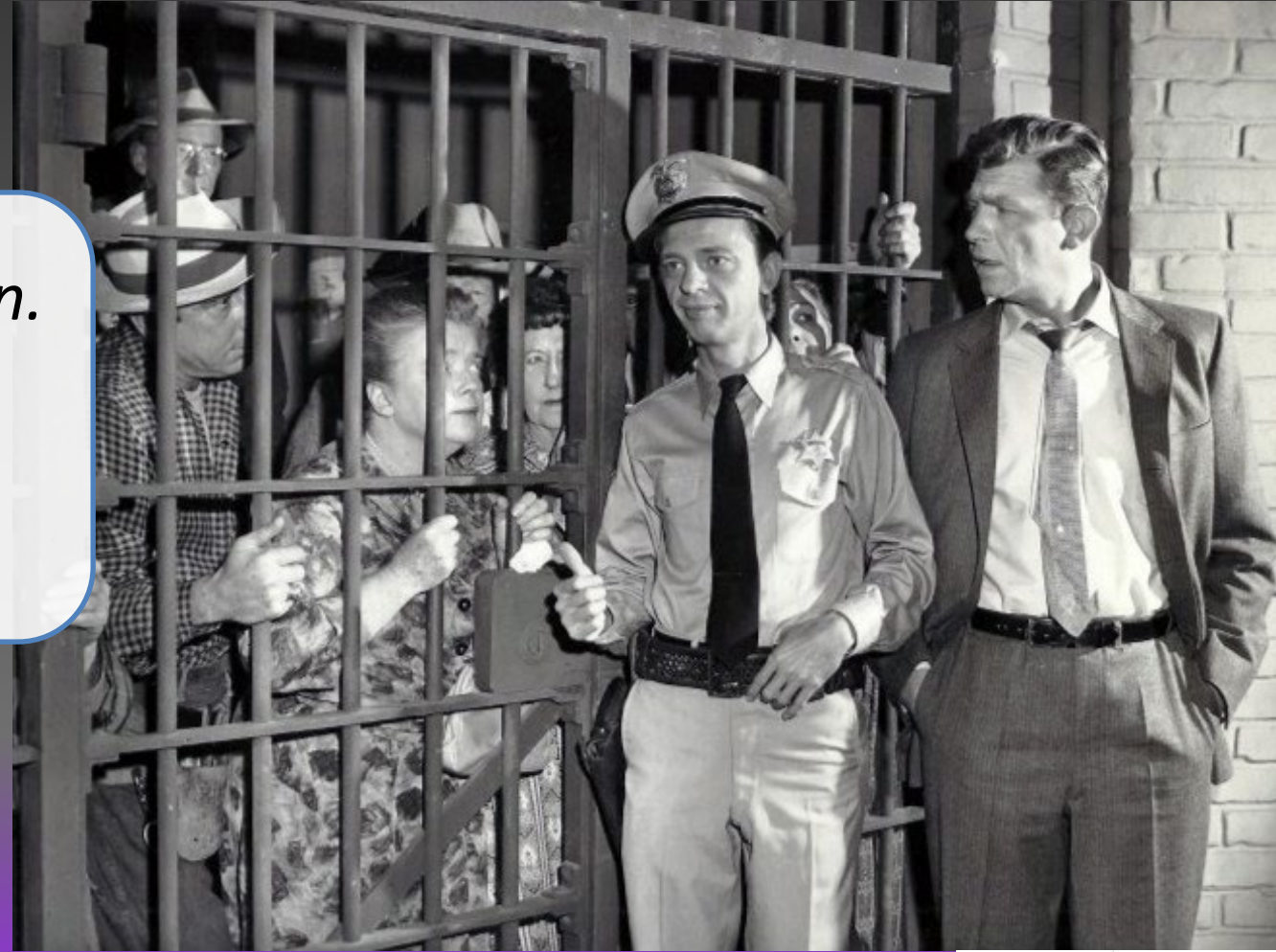
How can your firm frame wellness as an ethical obligation?

Which “Mayberry” principle will you take home today?

The Return to Mayberry

“You can’t right the whole world, son. But you can keep your side of the street clean.” widely attributed to Andy Griffith

Ethics isn’t the jailer; it’s the key.





**Don't put Aunt Bee in Jail,
Barney.**

**Keep your
bullet in
your pocket.**



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