

Cleverest are Often Quickest to Cheat

Difficulty:

AVERAGE

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Discussion activities to be done after completing this EA lesson

It seems for the past few years, the news has been filled with stories of people who cheat, for example, bankers or politicians who cheat on their wives and constituents. Today's report was about a study of people who cheat. What did the study find? How do these people justify their actions? What warning does the researcher give?

Extension discussion topics

A. Talking about and going over the specific topic / idea / issue in listening text

Introduction = What did Francesca Gino's study find? How do the people studied justify their actions? What warning does the researcher give?

1. What did we learn in the report about Francesca Gino?
 - She is a behavioral economist.
 - She teaches at Harvard Business School.
 - She found many notable cheaters' behavior fascinating.
 - She wanted to find if there really was such a thing as an "evil genius".
2. What did we learn about her study?
 - She decided to test volunteers to see how creative they were.
 - Then she put these people in situations where they could profit from cheating.
 - The most creative people cheated the most easily.
 - At work people who were encouraged to be creative, had the most opportunity to cheat.

What do you think about the attitudes of these people?

3. What were Francesca Gino's conclusions?
 - Even if these creative people were morally good in the long-term, they could justify cheating in the short-term if it was to their advantage.
 - Cheating is done not just to make money. (Cheating on your spouse was specifically mentioned).
 - Creativity should not be discouraged but creative people should be aware that creativity can be used for the wrong reasons.

What other types of cheating can you think of?

B. Expanding on (one of) the topics / ideas / issues in listening text

Topic = Cheating.

1. There have been some famous instances of cheating in sport. Can you name any? What happened? What advantage was gained? Was the person found out and punished? If yes, how? Do you think the punishment was fair? If not, do you think they should have been punished? What should the punishment have been? If you don't know of any instances, look up one of these on the internet and answer the above questions: Diego Maradona, Ben Johnson, Rosie Ruiz, Boris Onischenko, 2002 Olympic figure skating judges' scandal, Dora Ratjen, Joe Jackson - 1919 Black Sox.

Can you relate any specific recent instances of cheating in sport? (match-fixing e.g. Pakistan cricket scandal, drugs e.g. Tour de France 1998 Festina team cyclists, problems every year...)

2. In recent years there has been much financial cheating. One of the most famous was Bernie Madoff and his Ponzi scheme. It is considered to be the largest financial fraud in US history. Research Madoff and his Ponzi scheme. What is a Ponzi scheme?

(see: <http://www.moneyterms.co.uk/>)

- The easiest way to explain this is with an example. Suppose the scheme promises a return of 10% a month. The scammer simply takes investors' money and returns a tenth of it at the end of every month.
- The fact that investors appear to be getting the returns they were promised will encourage more people to put their money in the scheme, and even encourage the original wave of victims to reinvest. This growth is what makes Ponzi schemes successful.
- After ten months the fraudster will have returned all the money invested by the very first investors (assuming they did not reinvest), but will have most of the money invested by later investors. At this point the fraudster simply takes the money and disappears.

How much money did Madoff steal from clients? Which financial institutions were also involved? What happened to Madoff?

Do you think you could have been susceptible to his scheme? Why / why not? Have you or anyone you know been a victim of the similar pyramid scheme fraud? What happened? How much money was lost? Can you explain how a pyramid scheme works?

(see: <http://www.moneyterms.co.uk/>) An example:

- The promoter of a pyramid scheme starts by recruiting a hundred people and charges each of them £100 to join. Each person joining is promised £500 for every 10 people they recruit into the scheme.
- All of the first hundred then manage to recruit 10 new members each. At this point the promoter of the scheme has collected £110,000 in fees and paid out £5,000.
- The 1,000 investors in the second wave also get 10 recruits each. The promoter has now collected £1,110,000 and paid out £55,000.
- The 10,000 investors in the third wave recruit their 10,000, the 100,000 in the fourth wave recruit a million, and the million in the fifth wave recruit 10 million.
- With 10 million people trying to recruit new members it becomes very hard to recruit more. The scheme ends here.
- At this point the promoter has made £1.1bn and paid out £500m. 1.1m people have made a £400 profit each and £10m will have lost £100 each.

3. Another well-known financial cheat is phishing. Can you explain what this term means? Have you ever received a phishing email? Did you know it was fake or were you caught out? What happened? Do you know the name of the country where many fake financial scams originate? (*Nigeria*) What kind of scams mostly originate from this country? (*advance-fee fraud*) Can you explain what this is?

4. Have you ever cheated at anything? What did you do? Did you feel sorry or not? Why? Are there any kinds of cheating you feel are justified? (tax returns, video games, relationships, cards, exams...) Why / why not? If you have never cheated, are there any circumstances which would make you think of cheating? (e.g. severe financial difficulties)
5. Have you ever experienced anyone else cheating? What did they do? Did you report them? How did you feel about it?
6. Has your country had any famous cheat(er)s? Tell the others in your group about them.

C. Extending discussion of (one of) the topics / ideas / issues in listening text

Topic = Evil genius.

1. What examples of evil genius in literature or films do you know about? (Frankenstein, Faust, Rotwang, Dr. Mabuse, Lex Luthor, Dr. Strangelove, Joker in Batman, ...) Describe one of these characters and give some examples of their evil deeds.
2. Are there any famous stories or films in your country about evil geniuses? Who are they? What things did they do?
3. Why do you think very clever people sometimes turn to evil?
4. Do you know the game Evil Genius? Do you play it? How often? What level have you reached? Which version do you play at the moment? Do you know anyone who plays the game? Can you describe the game? (a single player real-time strategy and simulation video game developed by Elixir Studios and published by Sierra Entertainment, released on 28 September 2004. The game is inspired by the spy thriller genre (notably the James Bond film series). Similarly to Dungeon Keeper, the game turns the traditional plotline on its head, with the player acting as the villain, evading the comically stereotyped forces of justice. Gameplay revolves around the player building an island fortress and achieving clichéd world domination.) (source wikipedia). Would you like to play this game? Why? / Why not?

Audioscript

Francesca Gino is a behavioral economist who teaches at Harvard Business School. Behavioral economists use ideas from psychology to study how people make economic choices.

Gino says she's found the behavior of many notable cheaters to be fascinating, and it got her wondering why so many creative people seem to take the low road.

"Interestingly, there are actually a lot of examples in the literature, or in novels, or in movies, in comic books about this idea of the evil genius, but really no empirical evidence for this relationship."

So Gino spent several years testing volunteers to see how creative they were. Then, she put them in situations where they could profit from cheating - where just bending the rules a little bit could put a few extra dollars in their pockets.

"What we find is that creativity leads people to be more morally flexible, so they are much more able to come up with justification for the behavior that they're about to engage in and as a result, they are more likely to cheat."

But where cheating really matters is in the workplace. And in a competitive, global economy, innovation and creativity are particularly prized. Gino studied people at work, and says she found that fostering creativity in workers also opens up opportunities for that moral flexibility where people are tempted to bend the rules in their favor.

"We think that creativity really helps people resolve this conflict between something that is more longer-term, which is the idea of being good and moral and then, something that is more short term and is the idea of advancing your own self-interest. And that not necessarily means* getting money out of cheating, but it could also be getting other types of pleasures or utilities."

Such as cheating on your spouse. So, in short, Gino says her study is a warning that creativity has a dark side.

"So, it's not that we're trying to say that people shouldn't be creative, what we are trying to say is that they should be creative but they should be thinking about the fact that their creativity can be used for the wrong reasons."

Francesca Gino's research is published in a recent issue of The Journal of Personality and Social Psychology.

That's today's Health Brief (VOA). I'm Rose Hoban.

* The speaker should say: *"that does not necessarily mean"*