

BUSINESS ETHICS



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Short Description

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case study

Description

Case NO. 6

WORKING FOR ELI LILLY & COMPANY

Eli Lilly, the discoverer of Erythromycin, Darvon, Ceclor, and Prozac, is a major pharmaceutical company that sold \$6.8 billion of drugs all over the world in 1995, giving it profits of \$2.3 billion. Headquartered in Indianapolis, Minnesota, the company also provides food, housing, and compensation to numerous homeless alcoholics who perform short-term work for the company. The work these street people perform, however, is a bit unusual.

Before approving the sale of a newly discovered drug, the U.S. Food and Drug Administration requires that the drug be put through three phases of tests after being tested on animals. In phase I, the drug is taken by healthy human individuals to determine whether it has any dangerous side effects. In Phase II, the drug is given to a small number of sick patients to determine dosage levels. In Phase III, the drug is given to large numbers of sick patients by doctors and hospitals to determine its efficacy.

Phase I testing is often the most difficult to carry out because most healthy individuals are reluctant to take a new and untested medication that is not intended to cure them of anything and that may have potentially crippling or deadly side effects. To secure test subjects, companies must advertise widely and offer to pay them as such as \$250 a day. Eli Lilly, however, does not advertise as widely and pays its volunteers only \$85 a day plus free room and board, the lowest in the industry. One of the reasons that Lilly's rates are so low is because, as a long time nurse at the Lilly Clinic is reported to have indicated, "the majority of its subjects are homeless alcoholics" recruited through word of mouth that is spread in soup kitchens, shelters, and prisons all over the United States. Because they are alcoholics, they are fairly desperate for money. Because they are alcoholics, they are fairly desperate for money. Because phase I tests can run several months, test subjects can make as \$4500 – an enormous sum to people who are otherwise unemployable and surviving on handouts. Interviews with several homeless men who have participated in Lilly's drug tests and who describe themselves as alcoholics who drink daily suggest that they are, by and large, quite happy to participate in an arrangement that provides them with "easy money". When asked, one homeless drinker hired to participate in a Phase I trial said he had no idea what kind of drug was being tested on him even though he had signed an informed – consent form. An advantage for Lilly is that this kind of test subject is less likely to sue if severely injured by the drug. The tests run on the homeless men, moreover, provide enormous benefits for society. It has been suggested, in fact, that in light of the difficulty of securing test subjects, some tests might be delayed or not performed at all if it were not for the large pool of homeless men willing and eager to participate in the tests.

The Federal Drug Administration requires that people who agree to participate in Phase I tests must give their "informed consent" and must take a "truly voluntary and an uncoerced decision." Some have questioned whether the desperate circumstances of alcoholic and homeless men allow them to make a truly voluntary and uncoerced decision when they agree to take an untested potentially dangerous drug for \$ 85 a day. Some doctors claim that alcoholics run a higher risk because they may carry diseases that are undetectable by standard blood screening and that make them vulnerable to being severely harmed by certain drugs. One former test subject indicated in an interview that the drug he had been given in a test several years before had arrested his heart and "they had to put things on my chest to start my heart up again." The same thing happened to another subject in the same test. Another man indicated that the drug he was given had made him unconscious for 2 days while others told of excruciating headaches.

In earlier years, drug companies used prisoners to test drugs in Phase I tests. During the 1970s, drug companies stopped using prisoners when critics complained

that their poverty and the promise of early parole in effect were coercing the prisoners into “Volunteering”. When Lilly first turned to using homeless people during the 1980s, a doctor at the company is quoted as saying, “ We were constantly talking about whether we were exploiting the homeless. But there were a lot of them who were willing to stay in the hospital for four weeks.” Moreover, he adds. “Providing them with a nice warm bed and good medical care and sending them out drug – and alcohol – free was a positive thing to do.”

A homeless alcoholic indicated in an interview that when the test he was participating in was completed, he would rent a cheap motel room where I’ll get a case of Miller and an escort girl have sex. The girl will cost me \$ 200 an hour.” He estimated that it would take him about two weeks to spend the \$ 4650 Lily would pay him for his services. The manager at another cheap motel said that when test subjects completed their stints at Lily, they generally arrived at his motel with about \$ 2500 in cash : “ The guinea pigs go to the lounge next door, get drunk and buy the house a round. The idea is, they can party for a couple of weeks and go back to Lily and do the next one.”

Questions :

- 1. Discuss this case from the perspective of utilitarianism, rights, justice and caring. What insight does virtue theory shed on the ethics of the events described in this case ?**
- 2. “ In a free enterprise society all adults should be allowed to make their own decisions about how they choose to earn their living.” Discuss the statement in light of the Lily case.**
- 3. In your judgment, is the policy of using homeless alcoholics for test subjects morally appropriate ? Explain the reasons for your judgment. What does your judgment imply about the moral legitimacy of a free market in labor ?**

4. How should the managers of Lily handle this issue ?

Details

1. Case study solved answers

2. pdf/word

3. Fully Solved with answers