



Pegasus-Global Solutions - Ethicana, a bridge over muddied waters?

April/May, 2010

Greetings,

This month we highlight an effort called “Ethicana”, a program developed by the Global ACET, the Anti Corruption Education and Training Initiative hosted by the American Society of Civil Engineers (ASCE) along with a broad range of corporate sponsors. The massive amount of public money being injected into the world economies through public works projects makes the construction industry a natural feeding ground for the sharks in the business. The old ways of doing business in countries where leadership is shady and governments are totalitarian are particularly suspect, but developing countries are not the only offenders. Nudging contracts towards sole service providers, demanding that goods and services originate in the country in which the job resides, and the age old excuse that it's “just the way business is done here” are only the more obvious examples of graft and political manipulation inherent in large scale construction and engineering projects.

No matter what the issues or the results are, the need for transparency and public accountability are more important now than ever. The state of the world economy has left many people in worse positions than at any time in the last decade; money siphoned off into large pockets leaves a large hole in people's lives. Chances for infrastructure renovation or new construction as well as improvements in civic infrastructure serve two purposes right now – ready jobs for out of work people and a chance for people to see that their community, or their country, has a cultural and institutional base from which they can derive inspiration as well as a living.

Schools or bridges, libraries or dams, right now the time is ripe for both reform as well as abuse. As multinational teams take on mega projects, questions about how disputes will be handled arise. In what arena will they be heard? Under whose rules of law? How will arbitration panels be seated? If “irregularities” by one parties’ standards happen to be the cultural norm of another party, how will that be adjudicated?

There are no easy answers. A multidisciplinary and multinational educational approach is crucial, and getting the message to tomorrow’s managers and leaders is equally important. The Ethicana project is a wonderful start to solving a problem that we have all had to live with for too long.

Thanks,

Pat, Kris and Jack

“Ethicana” Now Available

Ethicana (<http://www.ethicana.org>) is an educational DVD with associated training materials that is part of an effort to reduce corruption in the engineering/construction industry internationally. By eliminating this type of corruption, more funds could be devoted to serving the disadvantaged and poor people of those countries.

The basis of the program is a 45 minute video that presents some of the issues of graft, bribery and corruption in a fictional arena. The video is followed with question and answer sessions aided by a guided curriculum that forces attendees to both ask and answer tough questions surrounding the issues presented in the video. The training focuses on individual integrity and moral courage as the basis of ethical behavior in the procurement and performance aspects of the construction and engineering industries. The disastrous effects of corrupt activities are stressed throughout, with the most important being the disastrous effects on the people that the projects are purported to help.

The material and subtitled videos are available in 28 languages, and there are three training options available to those who are interested.

The Global Anti-Corruption Education and Training (ACET) was conceived by American Society of Civil Engineers Past President and Pegasus-Global consultant William P. Henry. Contractors, governments, financial institutions, equipment providers, and consulting firms in engineering, architecture, construction, and management can all benefit from this training program. By following the training program, attendees acquire the fundamental tools necessary for guidance when confronted with corruption, especially on an individual decision-making basis.

For more information please visit <http://www.ethicana.org>

Northwest Dispute Resolution Conference Meets in Seattle

Dr. Patricia D. Galloway was a panel member at the Northwest Dispute Resolution Conference in Seattle on May 1, 2010. The panel, moderated by Serena Lee, Vice President of the American Arbitration Association, was titled “*Controlling the Discovery Monster in Arbitration*”, and also included Brenda Molner and Dick Manning, in addition to Dr. Galloway.

Arbitration is normally expected to save opposing parties both time and money but can be seriously undermined by an improper discovery process. The purpose of this advanced course was to provide arbitrators practical methods to control the discovery process while balancing parties’ right to fully present their case.

The Northwest Dispute Resolution Conference is now in its seventeenth year and offers sessions examining recent trends and developments in dispute resolution with presentations by speakers from throughout the United States and Canada. For more information, click here:

<http://www.mediate.com/nwadr>

Industry Sectors

Power

Florida Public Service Utility’s Commission hears testimony on the Nuclear Cost Recovery Clause

On May 3, 2010, Dr. Galloway filed public written testimony in Florida with the Florida Public Service Commission on behalf of the Progress Energy Florida Utility regarding the Nuclear Cost Recovery Clause and the reasonableness of the Utility in decisions relating to the Levy County Nuclear Power Plant.

Dr. Kris R. Nielsen testifies before the Missouri Public Service Commission

Additionally, on April 28-29, 2010, Dr. Nielsen presented oral testimony on behalf of Kansas City Power & Light to the State of Missouri Public Service Commission regarding the Iatan 1 coal fired steam power plant in Missouri in the ongoing hearings relating to their rate case. Previously Dr. Nielsen has given written testimony and deposition testimony on the Iatan 1 project.

Pegasus-Global This Month

Mr. Jack Dignum authors paper on Corporate Risk Management

According to the recently released Blue Ribbon Report “Risk Governance: Balancing Risk and Reward” published by the National Association of Corporate Directors (NACD):

“There is clearly an intense focus on risk today. While risk management has been on the radar – if not a priority – for most companies and boards over the past several years, many are asking whether our current system of corporate governance and strategic decision making ensures adequate risk assessment and management.”

Government regulatory agency focus on risk has intensified significantly over the past year as a direct result of the current global financial crisis as NACD noted regarding the government’s “after-the-fact” response to the financial crisis:

“...highlight the need for engaged and informed directors who foster a value-building strategy while appropriately responding to the attendant risks.”

To read more, please visit <http://pegasus-global.com/archive.asp>

Discovery Channel Announces Breakthrough Special

On June 3, 2010 at 8:00 PM (ET) The Science Channel will debut an exciting premiere chronicling the five-year pursuit to produce life synthetically. There will be discussion with experts following at 9:00 PM (ET). The efforts of Dr. J. Craig Venter: the failures, the successes, and the breakthrough moments will be shown. Dr. Galloway is a member of the Board of Advisers of the Science Channel and is proud to share this information with you. For more information, please visit <http://science.discovery.com/videos/creating-synthetic-life-its-alive.html>

Dr. Patricia D. Galloway Speaks at AAA Webinar

On May 10, 2010 Dr. Galloway and Albert Bates, Jr. Esq. hosted a webinar sponsored by the American Arbitration Association entitled “Construction Dispute Resolution in the US: *International Techniques That can be Used Domestically*”. In this 90-minute webinar, discussion centered around the international alternative dispute resolution procedures that can be used in the dispute resolution process regardless of venue. Discussion topics revolved around some of the discovery processes available prior to arbitrated dispute resolution as well as conversations on neutrality of tribunal members, effective advocacy techniques when addressing international and domestic tribunals and the use of experts to decipher technical issues.

For more information, please visit <http://www.aaauonline.org>

Dr. Kris R. Nielsen Breaks Ground on Local Projects

Dr. Nielsen, as Chairman of the Board of Trustees of local charity Life Support broke ground on a new fire station on April 11. Uncharacteristically adorned with a shovel he guided the ceremonies, kicking off the construction of Fire Station 73 which will provide enhanced Fire and Emergency Medical services to Kittitas County. The new fire station is a result of 4 years of fund raising and cooperation with the State of Washington, and is the largest project to date to be taken on by the 10 year old organization. In addition, Dr. Nielsen announced facilitation of the purchase of a building which will house the new Swedish Medical Center Clinic to serve residents of Upper Kittitas County and travelers through the I-90 corridor. Dr. Nielsen has been the Chairman of the Board of Trustees of Life Support for two years.

Is Now the Time to Re-evaluate Where Products Are Manufactured? Dr. Nielsen shares his thoughts on the re-industrialization of the Rust Belt in his blog – “The View from the Boardroom”:

“China manufactures the majority of the typical products that we (the US population and most of the developed world) purchase, consume and otherwise acquire. Maybe that is not entirely true, especially with autos, as we purchase a great many products from Japan and Europe. But we must recognize that many of the parts that go into an assembled automobile are manufactured in China, even Japanese cars, and China has begun to export cars, primarily to the underdeveloped countries, in a big way, much the same way Japan and Korea first did in years past. Even gasoline is now exported from China”...

To read more please visit <http://aboardroomview.blogspot.com/>

Pegasus-Global People



Peter Zencak

As our facilities manager at the Pegasus-Global facility, Peter Zencak, is an integral part of the day to day operation of Pegasus-Global. He may not be brought in on many conference calls, or asked to provide expert advice, but it goes without saying that things would come to a standstill without his constant attention to a varied list of “must-be-done” items.

Peter was born in Czechoslovakia and came to the United States almost twenty years ago. He has worked in communications, in the fishing industry, and in industrial technology. His prior experience helps with many of the duties at Pegasus-Global that require a broader knowledge of a modern facilities' inner workings than one might imagine.

Peter's favorite quote: “No matter how strange and confusing things might get, it's always better than a refugee camp”.

Peter lives in the Hidden Valley with his wife Janie, two children Victoria and Peter Ryan, and the

many animals they raise on their farm.