Exploring employee misconduct in the workplace: Individual, organizational, and opportunity factors

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ABSTRACT

This article examines several sets of factors that can contribute to ethical misconduct in the workplace: individual factors, organizational factors, and opportunity factors. Following a brief introduction of these sets of factors, an illustrative case is presented to demonstrate the model in evaluating ethical misconduct. The case focuses on the events leading up to the conviction and sentencing of Ellen Cooke, former national treasurer of the U.S. Episcopal Church. Using her position of trust within the organization, Cooke diverted 2.2 million dollars of church funds for her personal use over a five year period. This occurred during a period of staff cuts and consolidation at the national church level. Cooke used budget shortfalls and staff cuts to consolidate her control over church finances. She systematically dismissed subordinates who were trained to uncover financial irregularities within the Church. Readers are invited to examine this case by considering individual factors, organizational factors, and opportunity factors that contributed to an especially heinous breach of trust.

Keywords: Financial Controls, Trust, Embezzlement, Audits, Church Finances

APROACH TO CASE ANALYSIS

The authors of this paper suggest the use of an approach developed by Ferrell, et al. to analyze the Ellen Cooke case (O. C. Ferrell, J. Fraedrich, and L. Ferrell 128-35). The approach consists of several sets of factors that can be used to explore employee misconduct in the workplace: individual factors, organizational factors, and opportunity factors. The components of this approach to analysis will be explained and then applied to the Ellen Cooke case.

Individual Factors

Several characteristics can be categorized as individual factors (O. C. Ferrell, J. Fraedrich, and L. Ferrell 128-35). These include demographic variables such as gender, nationality, age and education.

An additional individual factor is locus of control. People who believe that they are controlled by their environment are said to have an external locus of control, while those who believe they can control their fate are said to have an internal locus of control.

Organizational Factors

Ferrell et al. looked at several organizational factors (O. C. Ferrell, J. Fraedrich, and L. Ferrell 128-35). First, they examined the corporate culture generally, looking at the organization's values, norms and decision making processes. They also look specifically at how ethical the organization is. Does the organization seem to have a conscience? Other organizational factors include the impact of significant others within the organization and the degree to which there is a value of strong obedience to authority within the company.

Opportunity Factors

The final area, opportunity factors, looks at the strength of policies and procedures in policing the workplace and the way in which punishment and rewards are used to enforce those policies and procedures (O. C. Ferrell, J. Fraedrich, and L. Ferrell 128-35). Is there a tolerance for minor deviations? Is there a feeling that "everyone" is violating rules in minor ways? Does the organization have an adequate set of checks and balances? Are outside parties such as CPA firms performing regular and comprehensive audits?

THE ELLEN COOKE CASE

Introduction

Presiding Bishop Edmond L. Browning tried to understand how things had gone so very wrong. Why hadn't he noticed that his trust in Episcopal Church Treasurer Ellen Cooke had been misplaced? Now he must decide what to do next.

Ellen Cooke had risen through the ranks of the Episcopal Church's leadership until she was eventually named the national church treasurer as well as the senior executive officer for administration and finance (L. Goodstein). Browning trusted her and acted as her mentor as she progressed in the national Church hierarchy (E.L. Browning). Over initial objections from the

Church's legal counsel, she was appointed to the vacant post of executive officer for administration and finance in addition to her existing duties as national church treasurer, thus combining the two positions which were designed to hold each other accountable (L. Goodstein).

Bishop Browning reported only praise for Cooke's service as church treasurer: "This church has been very well served by Mrs. Cooke's professional gifts and her commitment to faithfully carrying out the responsibilities with which she has been trusted. . . . The negative economic conditions, and the subsequent downsizings we have experienced, have been much less severe than they might have been – and indeed *have* been for other mainline denominations. This is a tribute to Ellen's prudent and wise fiscal management." (E. Stannard)

Now it seems the Presiding Bishop had never known her at all. Much of what he thought he knew of her life had been a lie. Cooke had betrayed a sacred trust assigned to her by the Presiding Bishop and the Episcopal Church. Over a period of five years she had diverted $2,200,000 of Church trust funds for her personal use (Executive Council Works through Implications of Cooke Embezzlement). This loss of funding came at a time when donations to the Church had been declining and a third of the headquarters staff had been cut (R. Hanley). What would this additional loss of church assets do to the Church's ability to fulfill its mission?

The only bright piece of financial information was that there was a $1,000,000 fidelity bond in place which would cover part of the loss. The Church engaged asset-search firm Kroll Associates to investigate the Cooke's finances (L. Goodstein). They also engaged the law firm of Shea and Gardner to provide church executives guidance on the Ellen Cooke matter (J. Hames). The embezzlement had gone undetected by the Church's regular auditing firm, since the trust funds Cooke stole from were outside the scope of their annual audits. The Church subsequently engaged the services of Coopers and Lybrand, an accounting firm that specialized in fraud and embezzlement in non-profit organizations.

Facts of the Case

Ellen Cooke had carefully crafted a fictitious biography, which turned out to be a complete fabrication (L. Goodstein). One of her earlier lies, not discovered until the embezzlement surfaced, was her educational history. She made a false claim of having earned a degree in economics from Georgetown University, but Georgetown officials say they had no record of her ever attending there (R. Hanley). In truth, Cooke briefly attended George Washington University, before being suspended for failing grades. She was a graduate of Georgetown Visitation School, a Catholic high school adjacent to Georgetown University, but had never attended the University itself (L. Goodstein).

Cooke led others to believe that she came from a family of "old money." The stories varied. Her friends in Virginia thought she came from an old New England family (F. Greve and M. Otto). Others were told of her family's southern wealth and of jewelry hidden during the Civil War sewn inside the lining of the curtains in their home (L. Goodstein). At the time of the embezzlement, she was married to Episcopal priest Nicholas Trout Cooke, a former practicing attorney who was seven years her junior.

Diverted funds were used to purchase a historic 1740 property in Montclair, New Jersey which included a four bedroom home with five fireplaces and a separate three bedroom cottage in the rear (L. Goodstein). Additional church funds were used to renovate the home, including construction of a wraparound porch and $35,000 in kitchen renovations.

Church funds were also used to purchase an additional $500,000 vacation home on a 23 acre riverside horse farm in the Virginia countryside (R. Hanley). Renovations included a 140 foot pier to deep water, as well as a tennis court and new guest house (F. Greve and M. Otto). "While we're cutting staff and budget, she's putting in a tennis court at the Virginia farm and adding a guest house," said James Solheim (R. Hanley).

Church funds in the sum of $332,310 were used for personal purchases, including jewelry such as a $16,000 Tiffany necklace, meals at high-end restaurants, and gifts and first-class airline tickets for herself, her family, and friends (E. Briggs). As one report noted, "Her predecessor had commuted by bus from the New Jersey suburbs for 42 years, but Mrs. Cooke preferred to travel by chauffeured Lincoln Town Car" (F. Greve and M. Otto). Other expenditures included $110,000 diverted to Cooke's personal bank account and additional funds to cover private school tuition for her sons from a previous marriage (R. Briggs).

Ellen F. Cooke had risen to prominence within the Episcopal Church. Cooke started out with a part-time job in 1969 and worked her way to the position of assistant treasurer of the Diocese of Massachusetts (L. Goodstein). She married Reverend W. Christopher Koch in 1971. Koch was 16 years older than Cooke. After more than ten years of marriage and two children, the two divorced (F. G. Greve and M. Otto).

Cooke remarried in 1985 at the age of 37. She married a lawyer turned priest, Nicholas Cooke III, who was seven years her junior at age 30 at the time of their marriage (L. Goodstein) Cooke eventually helped position her new husband for ascension to the higher ministerial ranks in the Episcopal Church (F. Greve and M. Otto). But Mr. Cooke's rise would not occur until Mrs. Cooke became national treasurer of the Episcopal Church.

In early 1986, and within six months of her marriage to Mr. Cooke, Mrs. Cooke was promoted. The bishops of Boston and Virginia both recommended that Cooke be appointed the new treasurer of the national Church, following the retirement of the former treasurer (L. Goodstein). Within a short time as Church treasurer, Cooke gained sole control of nearly every aspect of the national church's finances. The Episcopal Church paid her $125,000, an annual salary second only to the salary of the Presiding Bishop's. She was the top paid non-clergy employee in the Episcopal Church.

Cooke held two separate positions in the Episcopal Church. She was both the Executive Officer for Administration and Finance, appointed by the Presiding Bishop, and the treasurer of the national Episcopal Church, an elected position. While these positions had previously held by two persons in order to provide for checks and balances, Cooke made the case that she could fill both positions, thereby saving the Episcopal Church money during a period of financial austerity. The Washington Post reported that Cooke had persuaded Church officials to combine the two positions. This took place in spite of the objections of the legal counsel to the Church to combine the two positions, which had been designed to keep each other accountable (L. Goodstein).

Cooke worked as Treasurer from November of 1986 until Presiding Bishop Edmond L. Browning asked Cooke to resign in December of 1994 (E.L. Browning). However, the resignation was not due to for any suspicion or knowledge of Cooke's illegal and unethical activity. Cooke's embezzlement of $2,200,000 wasn't discovered until a month after her resignation.

Ellen Cooke's professional performance led to mixed reviews. The Presiding Bishop had praised her performance as noted previously. "She did an extraordinary job of managing . . . She had a keen introspection in managing money," said Vincent Currie, who worked with Cooke when Currie chaired the Joint Standing Committee on Program, Budget and Finance of the

Episcopal Church (E. Stannard).

However, some church officials were critical of Cooke's lack of financial disclosure. She was criticized for providing too little information to oversight committees. Additionally, the information that she eventually provided was received too late for proper review and was deemed inadequate (E. Stannard). "Over the last three years, I don't believe members of Executive Council got adequate information as to a lot of financial aspects of the work of the church," according to one committee member (E. Stannard).

According to Presiding Bishop Edmond Browning, the reason for Cooke's termination was attributed to "her working style" that "did not well serve our common mission."(E.L. Browning). Cooke's subordinates found her to be a very difficult boss. In the words of the Presiding Bishop, her immediate and only supervisor, Cooke "maintained absolute control" of not only the "auditing and reconciliation functions of the Treasurer's office" but of those working for her (R. Hanley).

Cooke's subordinates reported their disdain for her management style. One stated, "She was tyrannical" (R. Hanley). Others confirmed Cooke exercised her unchecked authority with vigor. "We were spat upon as staff whenever we asked questions, particularly if they were about balances of trust funds (F. Greve and M. Otto). The Presiding Bishop acknowledged in an open letter to the church that he knew "[Cooke's] working style was autocratic rather than the collaborative one I have tried to model" (E.L. Browning)

Nevertheless, Cooke made a final attempt to present a different narrative. Shortly after Cooke's termination when embezzlement was discovered, she issued her one and only public statement on the matter. Through her legal counsel's screening, she rationalized her position: "I began a series of extensive psychiatric evaluations. I am continuing with this therapy. In the psychiatrist's opinion, I experienced a breakdown precipitated by many factors external to me and related to the workplace. . . . In the judgment of the psychiatrist who has evaluated me, I am one of a small percentage of the population who by reasons of personality are simply unable to stop in the face of enormous pressures and stress. He believes that my subsequent actions, blocked from memory during this time, were a cry for help which I fully expected to be discovered and questioned, and which escalated as I tried to escape from a situation which had become intolerable" (E.F. Cooke).

Cooke also explained in the same letter that through professional and ecclesiastical counseling, she could now "acknowledge the pain, abuse and powerlessness I have felt during the years I worked as a lay woman on a senior level at the church headquarters." Cooke's defense of sexist oppression provoked outrage among those who worked with her, most of whom were females, as well as the Episcopal Women's Caucus (L. Goodstein).

Cooke's diversion of funds was attributable to the lack of any oversight of her work. During Cooke's tenure, she shifted the balance of institutional power to prevent oversight of her financial policies, which, in turn, created a veil of deception that allowed her to steal \$2,200,000 without notice. She had won over the absolute trust of the Presiding Bishop. According to the New York Times, Bishop Browning was "once one of Mrs. Cooke's most ardent supporters in the power politics at church headquarters (R. Hanley). Not only had she carved out the checks and balances of financial oversight to protect her, she created a culture of fear—no one dared challenge her because they relied on her (L. Goodstein).

Immediately before Cooke's forced resignation, Cooke prepared for publication a *Manual of Business Methods in Church Affairs*. She wrote the following in the foreword to the *Manual*: "This is a manual of business methods, policy and practice. It includes information about generally accepted accounting principles, and makes recommendations with regard to accounting practices and internal controls. . . Sound, practical internal controls are the cornerstone to proper financial management. Management of financial resources is an important element of stewardship (Manual of Business Methods in Church Affairs)

"Sound, practical internal controls" were the very things that Cooke had dismantled at the national Church level. Mathew Costigan, Cooke's predecessor as church treasurer, stated that by 1990 she had "released or removed all the technical staff I'd trained to detect misuse of funds, and replaced them with people who were not technically trained" (F. Greve and M. Otto).

As part of Cooke's forced resignation, Cooke negotiated a severance package of more than $86,000 (E.L. Browning). Cooke claimed the severance payment was for back pay and unused vacation pay. At this point, no one had discovered her fraud. Additionally, Browning had not fully lost complete trust in Cooke and thus retained Cooke as a paid consultant to assist during her transition.

The Discovery and Extent of the Fraud

Cooke's embezzlement was discovered after she requested $86,000 for back pay and unused vacation time. A check for $86,000 was issued and Cooke cashed it. While the church's policies did not provide for such a payment, Cooke reassured the Human Resources staff and the Controller that she would provide documentation supporting her request (E.L. Browning).

Cooke's failure to provide the promised documentation led to an inquiry into the trust funds Cooke had administered on behalf of the Presiding Bishop. Numerous financial irregularities were soon discovered. Upon the discovery of these irregularities, the Presiding Bishop retained the law firm of Shea & Gardner of Washington, D.C. and the independent accounting firm of Coopers and Lybrand, a firm that specialized in investigating fraud and embezzlement (E.L. Browning).

The new accounting and law firms reviewed Cooke's entire tenure as church treasurer. What they found would shock all levels of the church, both lay and clergy. In short, they made the following findings, which were reported to the Church by the Presiding Bishop (E.L. Browning).

1: Cooke diverted $1,500,000 by depositing money into her personal account at the same commercial bank used by the national Church. Instead of transferring funds from one Church account to another, a common practice, she transferred funds from Church accounts to her personal account at the bank. She transferred funds from one account to by Cooke. Other transactions were processed in in a similar fashion at a brokerage firm in New York.

2: Cooke wrote checks on church accounts to third parties, for her personal benefit or for other unauthorized purposes. This amounted to approximately $225,000. This money, among other personal uses, paid for her sons' tuition payments and airline tickets for friends to visit her (R. Hanley).

3: Cooke misused the corporate credit card and other corporate accounts for personal expenses totaling about $325,000. Charges included such items as non-business travel in the U.S. and abroad, as well as meals, hotels, and entertainment for herself, family members and friends. Other categories included jewelry, clothing, gifts, meals, and limousine service.

4: Cooke wrote to herself a number of unauthorized checks drawn on Church accounts, each in relatively modest amounts but totaling approximately $28,000.

5: Cooke bought gifts for herself and others with the Church's Tiffany and Steuben corporate gift

accounts (E. Briggs).
6: Cooke drew money from the church's petty cash account. These funds were used, among other things, for Cooke's private chauffeur.
7: Cooke improperly called for and received a check for $86,000 upon her resignation. The total amount of embezzled funds was approximately $2,200,000.

Criminal Proceedings

"My prayer is for Ellen's contrition and repentance . . . Let us remember that prosecution and restitution do not preclude forgiveness and healing," said the Presiding Bishop (E. L. Browning). In the wake of the Bishop's pastoral response, federal authorities pursued numerous charges against Ellen Cooke.

Cooke plead guilty in a 30-minute hearing at the United States District Court in Newark, New Jersey, confessing to embezzling more than $1.5 million from church accounts and for failing to pay Federal income taxes on a portion of the embezzled funds (R. Hanley). Assistant United States Attorney, Robert L. Ernst for New Jersey and Cooke's attorney, Plato Cacheris, negotiated the plea agreement.

Seven national Church officials, including the Presiding Bishop, wrote a letter to United States District Court Judge, Maryanne Trump Barry, setting forth the negative effects Cooke's embezzlement had on the church. They stated the Church's "ability to provide ministry has been hampered by this violation of trust" (E. Stannard).

Cooke's attorney, Plato Cacheris, explained to Judge Barry that his client suffered from a mood disorder that caused her to forget certain events. Cacheris proffered testimony of a psychiatrist who diagnosed Cooke with cyclothymia, which is a bipolar mental disorder that caused Cooke to "black out certain events that happened in the past" (Former Church Treasurer Ellen Cooke Pleads Guilty to Charges in Embezzlement Case). "I have blanks in my memory," Cooke said in Court, according to the New York Times. "I just can't say for sure that I knew at the time that I knew what I was doing. I know it now and I can only assume I knew it then" (R. Hanley). Judge Barry received and approved the plea and then set a sentencing hearing.

On April 29, 1996, Judge Barry issued a sentencing order. "I condemn this crime and the greed that caused it," Judge Barry stated (L. Goodstein). The Court did not hide its disgust with Cooke's illegal actions. "This defendant deliberately and meticulously, with knowledge then and now, looted the national church over a period of years for one reason and one reason only: to live the life of someone she was not," said Judge Barry. "I am absolutely convinced that the defendant did not suffer from a significantly reduced mental capacity when she committed the crime she committed. She performed every task very well, including embezzling two million dollars" (Episcopal Church Treasurer Sentenced to Five Years for Embezzlement). She continued to show disgust of Cooke's "refusal to accept responsibility for one's actions, blaming everyone and everything, and relying on spurious psychiatric defenses" (L. Goodstein).

Cooke's attorney requested a reduced sentence due to his client's "diminished capacity (L. Goodstein). Judge Barry rejected this request and then ordered a 60 month sentence, which exceeded the federal sentencing guidelines by 14 months. Judge Barry stated the circumstances of the case "scream[ed] for an upward departure" from the federal guidelines (Episcopal Church Treasurer Sentenced to Five Years for Embezzlement). The harsher penalty was because Cooke had undermined the church's work, "an important societal institution that performs an essential function: care of the needy (L. Goodstein).

"Is nothing sacred anymore?" Judge Barry asked. "A church is different from a bank. It's different from a teller taking ten thousand bucks from the till" (Episcopal Church Treasurer Sentenced to Five Years for Embezzlement).

Cooke's attorney's additional request that Cooke be allowed to remain free pending an appeal was denied (E. Briggs). On appeal, Cooke's attorney argued the increased sentence was improper because Judge Barry erred by receiving the unsworn testimony of church leaders in the form of a letter. He also argued that the prosecutor breached the plea agreement by challenging Cooke's "diminished capacity" defense (J. Hames). The appeal was denied.

Cooke entered federal custody on August 26, 1996 at the Federal Prison Camp for Women in Alderson, West Virginia (E. Stannard).

Civil Proceedings

The Episcopal Church also filed civil suits against Cooke, the first in the Superior Court of the District of Columbia and a second in the U.S. District Court for the Eastern District of Virginia (E. Stannard). The civil causes of action were settled out of court. A statement from the national church indicated "The church has reached an agreement with Ellen F. Cooke to resolve all claims the church has against Mrs. Cooke. The agreement settles all claims between the church and Mrs. Cooke, and related claims asserted against her husband, Nicholas T. Cooke, III. The agreement includes transfer by Mr. and Mrs. Cooke to the church of substantially all of their liquid assets valued at approximately $100,000 and delivery to the church of tangible personal property of the Church of which Mrs. Cooke had been in possession. The terms of the agreement will not be further publicized, but the church is satisfied that the settlement is in the church's best interest under all the circumstances of this case: (Church Settles Suits Against Former Treasurer Who Admitted to Embezzlement).

Recovery of Funds

In Cooke's open letter of May 4, 1995, she "expressed a willingness . . . [to] establish a plan for restitution, working until such time as full repayment is made (E.F. Cooke). This "willingness" was completely unrealistic given that Cooke would serve time in prison and her husband Nicholas Cooke had resigned from his position as priest and parish rector in McLean, Virginia. Mr. Cooke was not charged with any crimes. After later resigning Holy Orders and leaving church ministry, he reportedly opened a bookstore in Richmond, Virginia (G. Spong and D. Anderson).

Knowing the Cookes could not provide full restitution, the Church retained an asset-search firm to seek out resources for restitution (G. Spong and D. Anderson). Cooke and her husband signed over to the Church two pieces of encumbered real property they owned.

The Church also filed an insurance claim on the stolen money (G. Spong and D. Anderson). The Church's insurance company paid out $1 million on the church's claim. Other funds recovered amounted to $1,102,805 and were as follows:

1. $295,060 from sale of New Jersey house
2. $217,462 from sale of Virginia farm
3. $485,000 from settlements with commercial institutions
4. $105,283 from the sale of jewelry and recovery of cash and other proceeds

However, the costs associated with legal, accounting, and asset-recovery fees amounted

to $321,015 (E. Stannard):
1. $139,361 to Shea & Gardner law firm;
2. $107,713 to Coopers & Lybrand (auditors);
3. $28,855 to Kroll & Associates (asset-recovery firm); and
4. $45,086 (other unspecified costs).

CASE DISCUSSION

The Presiding Bishop, Edmund L. Browning, had a number of decisions to make. While he was concerned about safeguarding the assets and reputation of the Church, he was also concerned about the spiritual state of his former employee and Church member, Ellen Cooke. He knew that news releases would inevitably trigger criminal proceedings. Finally, at some point he had to deal with what he could or should have done differently and how he could prevent such misconduct from occurring in the future.

One might look at the decision about whether to directly act to bring federal and state authorities into this matter. This is a decision common across a number of different types of organizations. Why do so many corporations or other businesses refuse to prosecute embezzlement? One can speculate about a number of answers, including not wanting to let the public know what had happened and fearing the harm that could have on the organization's reputation. It could reflect badly on the judgment of leadership and controls within the organization. A practical concern could be that it is very costly to get involved with a legal matter, including time lost from those who may be called to testify or otherwise participate in the proceedings to the diversion of attention from day to day issues.

What are some reasons that legal proceedings against Mrs. Cooke should be pursued? Practical arguments may include issues dealing with the $1,000,000 fidelity bond. In order to receive the proceeds from the bond, the Church needed to notify state and federal authorities of the embezzlement. In addition, there may be elements of the investigation process that could provide a deterrent to future theft in this Church and in other organizations. Finally, this step may be necessary for Ellen Cooke to fully face her wrongdoing and begin the steps of repentance and healing.

Individual Factors

There didn't initially appear to be any obvious danger signals from Cooke's individual factors.

1.) Gender: If gender is a factor in misconduct, it usually cuts the other way. In studies where women and men have found that women and men differ with regard to ethical behavior, women are found to somewhat more ethical than men (Loe et. al.) and a little more likely to come forward as whistle blowers (Kaplan et.al.)

2. Education: Generally more education and experience are associated with a lower likelihood of ethical wrong-doing. There is the complicating factor that Ellen Cooke claimed to have a University education which she did not in fact have. Perhaps one of the lessons from this case is the importance of carefully checking all resumes for accuracy/truthfulness. Some who will lie about little things may commit more serious ethical acts.

3. Age: Ellen Cooke was in her forties when the embezzlement took place. Since age and experience are generally correlated with more ethical behavior, there would have been no signal

of danger here. Indeed, prevailing wisdom would indicate that a person of her age and experience would be quite trustworthy.
4. Locus of Control: Ellen Cooke seemed to have an internal locus of control. She appeared to be an extremely dedicated professional who believed that she could control events around her.

However, in examining the specifics of Ellen Cooke's life, one might see the beginnings of the problems to come. Two things become clear in her character. She was obsessed by a desire to be among the old money aristocracy of America. This is seen in the stories that she told about her origins. It played out in the choice of real estate she purchased with the embezzled money. Even her frequent use of a chauffeur-driven car is part and parcel of her fantasy of wealth. A second issue dealt with her ability to lie or her inability to separate fantasy from reality. Most individuals are unwilling to tell big lies because there is too big a risk that we could be unveiled in our untruths. There is some question as to whether Ellen was crying out for help with her web of deceit. Did she hope to get caught, or did each success at not getting caught motive her to take even bigger risks?

Organizational Factors

An examination of organizational factors might have warned the Church about Cooke's embezzlement. The first was the organizational culture. The organizational culture includes the values, norms and ways of making decisions in the organization. In this case the organization is a church, where one could and should expect that the culture had clear ethical expectations which exceed those of corporate organizations. Ellen played the part of a committed and believing member, one who had given her professional life to working in the church as a lay leader. She was a role model to other women in the church through her rise to the top levels of decision making and power in the national church. The level of betrayal that she exhibited was unthinkable to others in the organization. She had not just embezzled church funds; she had stolen the very resources necessary to accomplish the mission of the church in doing God's work.

The facts of the case reveal an unwarranted culture of trust. The Presiding Bishop had given Cooke particular guidance and support in her career. Ethical living was assumed to be a vital part of the organizational culture. The prevailing culture of obedience to authority would have discouraged Cooke from embezzling funds, rather than encouraging it. Discussion might move to the various factors that may have been plaguing the Presiding Bishop and his staff concerning the failure to observe the embezzlement as it was occurring.

Opportunity Factors

Finally, one might examine the opportunity factors in this case. This area is where the biggest factors leading to the embezzlement might be found. There were many safeguards and protections in place to prevent embezzlement, but safeguards were ignored or evaded.

Ellen Cooke, in effect, created her own opportunities. She used the decline in church contributions to consolidate her power and decommission safety measures. She merged her position with that of the senior executive for administration and finance when that position came open. This eliminated the expenses related to the other position but it also left no one to check or oversee her work. She used additional staff cuts to cover the way in which she systematically terminated experienced employees, who had been trained by her predecessor in detecting fraud.

She hired new employees who were inexperienced and dependent on her for training concerning their duties. Finally, she took exclusive control of the Presiding Bishop's discretionary trust fund account ledgers, which were not subject to annual audits.

LESSONS FROM THE ELLEN COOKE CASE

Other organizations might learn some valuable lessons from the case of Ellen Cooke.

1. The importance of vetting employee resumes, work and educational histories, personal references, and letters of recommendation. In addition, modern technologies allow for individual credit checks, personal information posted on social media sites such as Facebook, and criminal background checks.
2. Preservation of the separation of roles and responsibilities to avoid opportunities to maneuver around oversight and an appropriate set of checks and balances.
3. Enforcement of existing policies and procedures.
4. Providing access to financial accounts and information by more than one person. Cooke was able to divert money from Church trust funds for years because, until her resignation, no other employees had access to those accounts.
5. Many organizations have a policy requiring financial officers to take leave periodically, thus allowing other employees to detect financial irregularities in their absence. This practice may well have reduced the opportunity for Ellen Cooke to engage in ongoing embezzlement and deceit.
6. Regular financial audits by outside accounting firms provide an important means by which to detect fraud and embezzlement. If the Presiding Bishop's trust funds had been included in the Church's annual audits, the embezzlement would have come to light much earlier, before so much damage had been done.

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