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Conflict of Interest World: Diminished lives, resources, and opportunities

By Jeffrey M. Kaplan, JD

How much does it matter that organizations, individuals, and governments pay close attention to identifying and mitigating conflicts of interest (COIs)? One way to answer this question is to consider—as I have asked students in my business school ethics class to do—what the world would look like without such focus and sensitivity.

In Conflict of Interest World:

- Individuals might be reluctant to take the medicines/treatments their doctors recommend for fear that those recommendations are motivated more by the doctors' financial relationships with life sciences companies than by patients' well-being.
- Individuals and organizations might not use financial advisers for fear that the advice they receive is driven by hidden, adverse interests. They might instead devote otherwise productive time to trying to become their own financial experts, resulting in a significant misallocation of capital as well as time.
- Organizations could hesitate to take a wide range of everyday actions for which they need to trust their employees and agents to do what is right by the organizations—or would proceed only with highly intrusive and costly surveillance-like measures in place.

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