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Mole for state and federal regulators and some businesses during the pandemic.

May. 27, 2020



The claim was at least unique. A Minnesota chiropractic practice said it had a way to help patients fight off COVID-19 infection.

No long after he heard about it, state Attorney General Keith Ellison sent a letter ordering the spine adjusting business to stop advertising the coronavirus treatment or face court action.

Then, he moved on to the next get-rich-quick scam.

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The wave of unethical and potentially criminal business strategies spins over on the private sector. Minnesota-based 3M has filed 10 lawsuits trying to stop businesses from using its name to sell millions of overpriced or nonexistent N95 masks that filter 95% of coronavirus molecules.

Federal prosecutors announced criminal charges Tuesday in the first of those 10 lawsuits.

The government arrested New Jersey used car salesman Ronald Romano for allegedly conspiring to charge desperate New York City officials 400% of the list price for millions of 3M masks that he had no access to and was not authorized to market.

Prosecutors say Romano fabricated a letter that said he had permission to sell 3M personal protective equipment and lied about a sale of masks to a public agency in Florida to try to make his case.

The severity of the pandemic leads to many more acts of selflessness and humanitarianism than crime, Ellison said.

“But we have seen some truly scurrilous behavior. What are the scruples of someone who goes into Target, buys every roll of toilet paper and tries to sell it on eBay for \$5 a roll?”

The unprecedented nature of the crisis justifies, if not motivates, some of the bad actors, explained Katherina Pattit, who chairs the department of ethics and business law at University of St. Thomas' Opus College of Business.

“An environment of ambiguity and uncertainty is a prime breeding ground for these behaviors,” she said.

People tend to do what others around them do. For instance, if no one else is throwing their trash on the ground, you tend not to litter. For most Americans, Pattit

said, the current crisis is far “outside of any known range of behavior.”

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prevent, treat, mitigate, diagnose or cure coronavirus disease 2019 (COVID-19).

The list includes everything from liquid dietary supplements infused with bits of silver to CBD, the pain relief element in marijuana, to a coronavirus prevention nasal spray.

The companies receiving warning letters include marketers of holistic health cures, such as “essential oils” and herbal remedies, as well as the television show of televangelist Jim Bakker and the radio broadcast of right wing conspiracy theorist Alex Jones.

A wide range of people can convince themselves to trade on tragedy through a process called “moral disengagement,” said Michelle Duffy, chair of the department of work and organizations at the University of Minnesota’s Carlson School of Management.

“While some people are more likely to disengage morally than others, the tendency is in all of us,” Duffy said. “And some situations can make this more likely to happen.

A loss of control is one of those situations. Stay-at-home orders and other pandemic dictates took away control.

Duffy deconstructed attempts to trade on 3M’s name in selling face masks.

“First, we devalue people who are victims — basically dehumanize them — which then makes it OK to harm them,” she said. “Second, [people] can also reconstrue the harm they are doing into something else. Perhaps they think they are ‘morally justified’ because of some abstract concept like ‘organizational greed.’ The third way is to distort the consequences of what we do. Who got hurt here?”

Even presumably “good” people can succumb to a psychological mechanism called “moral licensing,” Pattit added.

“We’re being asked to make a lot of personal sacrifices,” she said. “So we allow

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sign a nondisclosure agreement that legally bound them to keep secret the source of a quarter-million overpriced masks.

Pattit likened the flood of pandemic fraud to the infamous e-mail scam of the “Nigerian prince” asking you to send him some seed money to unlock his vast wealth, which he would then share with you.

“It was outrageous, but there were always a few who fell for it,” Pattit said.

In the same way, COVID-19 scams “hit on desperate people,” Pattit said. “When you have desperation, [some people] are willing to bypass their common sense.”

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