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Appearance of Impropriety, Conflict of Interest and Public Money
Pecunia Publica, Species Improprietatis and Conflictus Interessi

Thomas P. Corbin Jr.
Stephen F. Austin State University

Daniel R. Fredrick
American University of Sharjah

Abstract. Public officials have a sworn duty to manage public resources in a manner that is transparent, impartial, and free from conflicts of interest or the appearance of impropriety. Ethical concerns may arise when officials participate in decisions involving entities connected to family members, professional associates, or personal financial interests, particularly when disclosure procedures or independent oversight mechanisms are absent or unclear. This case study examines a series of procurement and consulting decisions involving a public-school administrator and explores ethical issues related to conflict of interest, public trust, overconfidence bias, incremental ethical fading, and the appearance of impropriety. Designed for use in undergraduate ethics, public administration, and organizational management courses, the case encourages students to evaluate the distinction between technical legality and ethical legitimacy while applying critical-thinking to questions involving public accountability, transparency, and institutional integrity.

Keywords: conflict of interest, behavioral ethics, appearance of impropriety and public officials.

1. Introduction

In the study of ethics, conflict of interest is often easy to see when it is clearly demonstrated in a brazen fashion. What is perhaps harder to see is the incremental changes and instances where brazen behavior becomes greater over time due to overconfidence bias and moral fading. These dynamics fall within the broader field of behavioral ethics, which examines how psychological and situational factors, rather than deliberate wrongdoing, often lead individuals away from their own ethical standards ("Beyond Good Intentions," 2025). A key factor in behavioral ethics underlines that people often act intuitively and without carefully analyzing a situation. Perhaps colloquially put, people act on instinct and self

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interest rather than logic. Behavioral ethics thus provides the overarching framework for this case, connecting the specific concepts of overconfidence bias, moral fading, and incrementalism discussed throughout. At its foundation, management ethics recognizes that managerial decisions often impose financial, operational, or reputational "costs" upon stakeholders. Professional indiscretion occurs when a manager allows personal interests or biases to interfere with the professional obligations owed to the organization and the public it serves. The primary duty of a manager is to exercise professional responsibilities "conscientiously" (DesJardins, 2024, p. 174). Managerial agents, particularly public officials, are often entrusted with significant autonomy and discretion to allocate public funds, approve contracts, and conduct business on behalf of the represented entity (DesJardins, 2024, p. 164). Because of this authority, such responsibilities must be exercised in a manner that is transparent, impartial, and above reproach. When these standards are not maintained, ethical violations may arise. In addition, the appearance of impropriety may be nearly as damaging as unethical conduct itself (Reamer, 2018). Thus, even when actions appear financially justifiable or procedurally valid, ethical concerns may still arise if the circumstances create the perception that official decisions were influenced by personal relationships or private interests. This case highlights an important distinction among three related but separate concepts: an actual conflict of interest, in which personal interests substantively influence an official decision; technical legality, in which a decision satisfies formal rules and procedures; and the appearance of impropriety, in which a decision, regardless of its legality or actual fairness, creates a reasonable public perception of favoritism or bias. As the case illustrates, a decision may satisfy the requirements of technical legality while still raising serious concerns about an actual conflict of interest or the appearance of impropriety. The following is based on a real case in which the actions of a public official raised several ethical concerns involving conflict of interest, public trust, and the appearance of impropriety.

2. Case Scenario for Student Discussion

PJ Legette is a career educator and a recipient of multiple educational and administrative awards. Mr. Legette served as Superintendent of the Elliot School District (EISD) from 2008-2020, and as Superintendent of the Kent School District (KISD) from 2020-2024. According to his LinkedIn profile, he has served as a Lead Educational Consultant at Academy Educational Consultants (AEC) since 2024. A State audit, initiated following an anonymous complaint, examined expenditures made during Mr. Legette's tenure at both districts. The audit indicated that between 2018 and 2020, EISD made four purchases for office and information technology equipment from Legacy Office Supplies totaling $16,025. Legacy Office Supplies was founded and operated by Patrick James