

## **American Academy of Economic and Financial Experts Statement of Ethical Principles**

As a practicing forensic economist and a member of the American Academy of Economic and Financial Experts, I pledge to provide unbiased and accurate economic analysis for all litigation related engagements, to strive to improve the science of forensic economics, and to protect the integrity of the profession through adherence to the following tenets of ethical practice:

### **Employment**

While all forensic economists have the discretionary right to accept retention for any case or proceeding within their expertise, they should decline involvement in any litigation when asked to take or support a predetermined position, when having ethical concerns about the nature of the requested assignment, or when compensation is contingent upon the outcome.

### **Honesty and Candor**

Forensic economists shall be honest, thorough and open in their analyses and shall not provide the retaining or opposing attorney or the court, any information, through commission or omission that they know to be false or misleading. They shall exert due diligence, and at all times strive to use competent judgment to avoid the use of invalid or unreliable information.

### **Disclosure**

Forensic economists shall clearly state the sources of information and material assumptions leading to their opinions. Such disclosure should be in sufficient detail to allow identification of specific sources relied upon, and replication of the analytical conclusions by a competent economist with reasonable effort.

### **Neutrality**

Forensic economists shall at all times attempt to operate from a position of neutrality with respect to their calculations and analyses. Whether retained by the plaintiff or the defense, the approach, methodology and conclusions should be essentially the same.

### **Knowledge**

Forensic economists shall at all times attempt to maintain a current knowledge base of the discipline and shall provide the retaining attorney with the full benefit of this knowledge regardless of how it may affect the outcome of the case.

### **Responsibility**

Forensic economists shall at all times strive to practice within the boundaries of professional and disciplinary honesty and fairness. To this end, they must assume the responsibility of holding their colleagues in the profession accountable to the ethical principles promulgated herein.

# **Statement of Ethical Principles and Principles of Professional Practice**

## **National Association of Forensic Economics (NAFE)**

When providing expert opinion for use as evidence by the trier of fact, a NAFE member pledges, as a condition of membership, adherence to the following:

### **1. Employment**

Practitioners of forensic economics should decline involvement in any litigation when they are asked to assume invalid representations of fact or alter their methodologies without foundation or compelling analytical reason.

### **2. Compensation**

Practitioners of forensic economics should not accept contingency fee arrangements, or fee amounts associated with the size of a court award or out-of-court settlement.

### **3. Diligence**

Practitioners of forensic economics should employ generally accepted and/or theoretically sound economic methodologies based on reliable general economic data. Practitioners of forensic economics should attempt to provide accurate, fair and reasonable expert opinions, recognizing that it is not the responsibility of the practitioner to verify the accuracy or completeness of the case-specific information that has been provided.

### **4. Disclosure**

Practitioners of forensic economics should stand ready to provide sufficient detail to allow replication of all numerical calculations, with reasonable effort, by other competent forensic economics experts, and be prepared to provide sufficient disclosure of sources of information and assumptions underpinning their opinions to make them understandable to others.

### **5. Consistency**

While it is recognized that practitioners of forensic economics may be given a different assignment when working for the plaintiff than when working for the defense, for any given assignment, the basic assumptions, sources, and methods should not change regardless of the party who employs the expert to perform the assignment. There should be no change in methodology for purposes of favoring any party's claim. This requirement of consistency is not meant to preclude methodological changes as new knowledge evolves, nor is it meant to preclude performing requested calculations based upon a hypothetical--as long as its hypothetical nature is clearly disclosed in the expert's report and testimony.

### **6. Knowledge**

Practitioners of forensic economics should strive to maintain a current knowledge base of their discipline.

### **7. Discourse**

Open, uninhibited discussion is a desired educational feature of academic and professional forensic economic conferences. Therefore, to preserve and protect the educational environment, practitioners of forensic economics will refrain from the citation of oral remarks made in an educational environment, without permission.

### **8. Responsibility**

Practitioners of forensic economics are encouraged to make known the existence of, and their adherence to, these principles to those retaining them to perform economic analyses and to other participants in litigation. In addition, it is appropriate for practitioners of forensic economics to offer criticisms of breaches of these principles.