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ARTHUR ANDERSEN'S LEGACY AND THE FALL OF THE ROMAN EMPIRE: A COMPARATIVE ANALYSIS OF ETHICAL DECLINE IN ORGANIZATIONS AND EMPIRES

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ABSTRACT

This article presents a comparative historical analysis between Arthur Andersen, a paradigm of professional excellence in auditing until its collapse following the Enron case, and the Roman Empire, whose fall has been interpreted by numerous historians as a consequence of a profound ethical and moral crisis. The main objective is to identify parallels between both processes of decline, highlighting how corruption, dogmatism, and the loss of founding values influenced the decomposition of initially solid and successful structures. The methodology used is qualitative, documentary, and comparative, supported by academic sources in forensic auditing, business ethics, and classical historiography. First, the foundations of Arthur Andersen as a "cult of excellence," as proposed by Canales and López (2007), are examined to show how cultural rigidity and complacency with irregular corporate practices eroded its legitimacy. Second, the trajectory of the Roman Empire is addressed, emphasizing the transition from the Republic to the imperial era and the dynamics of political corruption, concentration of power, and loss of civic virtue. The comparative analysis shows that both Andersen and Rome shared a common pattern: they built their greatness on solid ethical foundations, but transformed these principles into dogmas incapable of adapting to emerging challenges. The discussion concludes that ethical decline, rather than technical or material factors, was decisive in the fall of both systems. These lessons are fundamental for teaching forensic auditing and for strengthening ethical control systems in contemporary organizations.

KEYWORDS: Arthur Andersen, Roman Empire, Ethics, Forensic Auditing, Corruption, Institutional Decline.

1. INTRODUCTION

The history of human organizations, whether empires, corporations, churches, or republics, offers a recurring pattern: they are born under a founding impulse, consolidated on ethical and normative principles that give them legitimacy, reach a stage of expansion and success, and finally, when these principles erode or become rigid dogmas, they enter a process of decline. This cycle has been widely studied in historiography, sociology, and organizational theory, and allows us to establish analogies between phenomena seemingly distant in time and nature.

In this sense, the collapse of Arthur Andersen, a firm founded in 1913 and considered for much of the 20th century as the epitome of auditing excellence, bears significant parallels with the fall of the Roman Empire, which for centuries was the political, military, and cultural center of the Western world. In both cases, the initial ethical foundations played a key role: Andersen built its prestige on honesty, professional independence, and a rigorous "cult of excellence" (Canales & López, 2007), while Rome relied on civic virtue, military discipline, and respect for republican institutions (Gibbon, 1995; Heather, 2006).

However, both Andersen and Roma ultimately succumbed to a crisis of values. In the case of the audit firm, complacency with strategic clients, a loss of independence from market pressures, and tolerance of questionable accounting practices led to its direct connection to the Enron scandal (Healy & Palepu, 2003). In the case of Roma, the concentration of power in the hands of military leaders, administrative corruption, clientelism, and a loss of sense of citizenship undermined internal cohesion, leading to an irreversible institutional collapse (Ward-Perkins, 2005).

The central hypothesis of this work is that both Arthur Andersen and the Roman Empire represent paradigmatic examples of how social systems are destroyed not so much by a lack of technical or military capability, but by the progressive loss of their ethical foundations. Moral decay, in this sense, becomes the most important explanatory factor for understanding the magnitude of these collapses.

At the academic level, this study falls within two research traditions. The first corresponds to studies of business ethics and professional responsibility in accounting and auditing, which have documented the Andersen case as a symbol of corporate corruption and a trigger for global regulatory reforms, such as the Sarbanes-Oxley Act in the

United States (Coffee, 2007; Toffler & Reingold, 2003). The second tradition comes from the historiography of Rome, with classic works such as those by Gibbon (1995) and modern works such as Heather (2006) or Goldsworthy (2009), which discuss whether the fall of Rome was due to external factors (invasions, economic crises) or internal factors (corruption, degradation of morals, loss of virtues).

From a methodological perspective, the article adopts a qualitative, documentary, and comparative approach. A bibliographic review of academic sources, business reports, and historical literature is conducted with the aim of constructing a common interpretive framework that allows for the identification of similarities and differences between Andersen and Roma. The comparative method does not seek to establish linear equivalences, but rather to illuminate how ethics, as an intangible and often underestimated element, can be a decisive factor in the survival or demise of organizations.

The pedagogical relevance of this study is twofold. First, it seeks to contribute to forensic audit training by showing how ethical principles are not only standards of professional behavior but also pillars of organizational sustainability. Second, it offers an interdisciplinary reflection that connects ancient history with contemporary business history, inviting us to consider accounting and auditing as fields of knowledge deeply linked to long-term social and political dynamics.

The article is structured in five sections, in addition to this introduction. The second section examines Arthur Andersen's legacy, emphasizing his cultural model based on the "cult of excellence" and the paradox that this same model, over time, became a factor of vulnerability. The third section addresses the internal and external tensions that led both Andersen and Roma to face crises of governance and legitimacy. The fourth section analyzes in detail the fall of both systems, highlighting the role of corruption and the loss of values. The fifth section develops a comparative discussion, integrating the findings with the work of Canales and López (2007). Finally, the sixth section presents the conclusions, highlighting the lessons for professional practice and for the teaching of forensic auditing.

In short, this article argues that ethical decline is not a marginal accident in the history of organizations, but a structural pattern that runs through both the greatness of Rome and the prestige of Andersen. Understanding this pattern is crucial to preventing contemporary institutions from repeating mistakes that, though ancient, remain profoundly relevant.

2. THEORETICAL FRAMEWORK

First, ethics can be understood as the foundation of institutional sustainability. Since Greek philosophy, Aristotle (1998) conceived of virtue as a habit oriented toward the common good, indispensable for the stability of the polis. In the medieval and modern tradition, this principle was consolidated around values such as justice, prudence, and temperance, considered essential for community life (MacIntyre, 2007). In the contemporary sphere, studies in business ethics have shown that the reputation and permanence of institutions depend largely on their ethical coherence. Authors such as Kaptein (2008) and Treviño and Nelson (2017) argue that companies that prioritize transparency, integrity, and social responsibility achieve greater legitimacy among their stakeholders. In contrast, those that sacrifice ethical principles for immediate benefits end up facing reputational crises and, in many cases, organizational collapse.

In the field of accounting and auditing, this concern is embodied in normative codes such as the IFAC Code of Ethics (International Federation of Accountants, 2020), which establishes principles of integrity, objectivity, professional competence, and confidentiality. These codes not only guide the conduct of professionals but also reinforce the credibility of the entire financial system. Ethics, therefore, is not a moral trapping, but a structural component of social trust in accounting and markets.

The case of Arthur Andersen clearly illustrates the relationship between ethics and sustainability. Founded in 1913, the firm established itself as a model of professional excellence thanks to an ethos based on rigorous training, independence from clients, and a commitment to accounting truth (Canales & López, 2007). Its founding motto, "Think straight, talk straight," epitomized this philosophy of rectitude. However, what initially constituted a strength transformed over time into vulnerability. The work of Canales and López (2007) calls this phenomenon the "paradox of excellence": the culture of demand and discipline led to dogmatism, the justification of questionable practices, and the subordination of professional judgment to the interests of large clients.

Research by Healy and Palepu (2003) and Toffler and Reingold (2003) shows that the firm progressively yielded to market pressure, validating distorted financial statements from companies such as Enron and WorldCom. Andersen's collapse in 2002 symbolized the fragility of organizations that, despite having an impeccable reputation and first-

rate technical capabilities, are weakened from within by losing ethical coherence. The magnitude of the scandal motivated global regulatory reforms, including the Sarbanes-Oxley Act in the United States, which sought to restore confidence in auditing and corporate governance (Coffee, 2007).

Similarly, the historiography of the fall of Rome has debated for centuries whether its collapse was due to external or internal causes. The classic interpretation by Edward Gibbon (1995) attributes the collapse primarily to the corruption of morals, the loss of civic virtues, and the weakening of republican institutions. According to this approach, Rome was defeated not only by the barbarians, but by its own moral decline. Other historians, such as Ward-Perkins (2005) and Heather (2006), highlight external factors invasions, economic crises, and demographic imbalances but agree that such factors became decisive because internal institutions were already weakened by corruption and the loss of social cohesion. Goldsworthy (2009), for his part, argues that Rome fell because it stopped believing in itself: civic virtue, understood as discipline, austerity and a sense of public duty, was displaced by clientelism, the pursuit of privileges and personal enrichment.

Syme (1939), in *The Roman Revolution*, documented how the transition from Republic to Empire entailed the concentration of power in military leaders and the erosion of republican political life. This process reflects, on a historical-political level, a phenomenon similar to that observed in Andersen: the slide from a model of shared virtues to a system dominated by individual interests and practices of expediency. In both cases, ethical decline provided the fertile ground on which external crises, whether invasions or financial frauds, flourished.

Beyond moral or ethical interpretations that attribute the fall of the Roman Empire to civic decay or the loss of virtue, several modern historians emphasize structural and non-ethical explanations for its collapse. Among these are the exhaustion of economic resources due to inefficient fiscal administration, military overextension, political instability stemming from bureaucratic expansion, and the gradual loss of institutional cohesion. Heather (2005) and Ward-Perkins (2006) argue that the erosion of the empire's logistical and financial capacities rather than moral decline was the decisive factor that weakened its system of control and supervision. Similarly, Goldsworthy (2009) highlights the empire's failure to maintain administrative discipline and accountability, leading to a progressive loss of legitimacy. This perspective

allows us to interpret Rome's fall as the outcome of systemic deterioration in mechanisms of information, control, and oversight—deficiencies that conceptually parallel those found in modern corporate scandals such as the Arthur Andersen case.

Finally, the comparative method provides an epistemological foundation for this study. Sartori (1991) argues that comparison does not seek to equate dissimilar phenomena, but rather to identify general patterns of institutional behavior. Similarly, Morin (1990) argues that interdisciplinarity and complex thinking allow for connecting fragments of knowledge to understand global processes. The contrast between Andersen and Rome is not intended to simplify history, but rather to demonstrate that ethical values constitute a common thread that runs through modern civilizations and organizations.

3. METHODOLOGY

The research was conducted using a qualitative documentary, comparative historical, and interpretive approach, aimed at identifying patterns of ethical decline in institutions separated temporally and structurally, yet linked by dynamics of organizational collapse. The methodological objective was not to establish a mechanical equivalence between the Roman Empire and Arthur Andersen, but rather to identify regularities and differences that allow us to understand how the loss of ethics affects institutional sustainability in different historical contexts.

First, a documentary analysis strategy was applied consisting of a systematic review of secondary sources. For the Roman Empire, both classical reference works (Gibbon, 1995; Syme, 1939) and recent research in contemporary historiography (Heather, 2006; Ward-Perkins, 2005; Goldsworthy, 2009) were consulted. In the case of Arthur Andersen, academic sources on accounting and business ethics (Healy & Palepu, 2003; Toffler & Reingold, 2003; Coffee, 2007) were reviewed, as well as the book *The Arthur Andersen Legacy: A Model of the Cult of Excellence* (Canales & López, 2007), which constitutes the central basis of the interpretive analysis.

Second, the historical comparative method was used, understood as the identification of analogies and contrasts between institutional processes. Sartori (1991) argues that comparison does not imply homogenizing dissimilar phenomena, but rather generating analytical categories that allow for the observation of transversal patterns. Under this method, Roma and Andersen were analyzed from

three dimensions: (i) initial ethical foundations, (ii) processes of corruption and clientelism, and (iii) institutional collapse and legacy.

These categories were operationalized through a thematic coding process. For the Roman Empire, the selected texts were examined based on references to civic values, clientelist practices, administrative corruption, and loss of military and political cohesion. For Arthur Andersen, the documents were coded according to variables such as corporate culture, market pressure, professional independence, conflicts of interest, and regulatory sanctions. This strategy allowed for the construction of a comparative map that showed the convergences and divergences between the two cases.

The analysis also relied on institutional theory. North (1990) posits that institutions survive to the extent that they generate trust and reduce uncertainty. From this perspective, Roma and Andersen were understood as institutional systems that failed when they lost the capacity to sustain shared ethical standards. The methodology, therefore, drew on an interdisciplinary framework that integrated history, accounting, and business ethics.

It should be noted that the research was conducted with a descriptive, exploratory, rather than causal, approach. This is because the purpose was to illustrate patterns and draw pedagogical lessons applicable to contemporary forensic auditing, rather than construct a predictive model. The exploratory approach is justified by the need to open a field of interdisciplinary dialogue between history and accounting sciences, a field that has been underdeveloped in the current literature.

The inherent limitation of any comparative study between phenomena so distant in time and space is recognized. The Roman Empire constituted a long-standing political-military entity, while Arthur Andersen was a private firm that existed for barely a century. However, the comparative method used does not seek to equate magnitudes, but rather to highlight that institutional ethics constitutes a transversal principle applicable to different realities. This methodology, consequently, not only legitimizes the contrast between the two cases, but also makes it a valid tool for teaching forensic auditing and institutional history.

4. RESULTS

4.1. *Historical Evolution and Consolidation of the Firm*

The history of Arthur Andersen is, to a large extent, the history of the professionalization of

modern auditing. Founded in 1913 in Chicago by Arthur Edward Andersen, a Norwegian immigrant who graduated as a certified public accountant from Northwestern University, the firm was distinguished from the beginning by a guiding principle that would later become its corporate motto: "Think straight, talk straight." This phrase was not a simple slogan, but the explicit manifestation of an ethical commitment based on accounting truth and the conviction that transparency was the foundation of business trust (Canales & López, 2007).

In the early 20th-century American context, characterized by the expansion of capital markets and the emergence of large industrial corporations, auditing took on a fundamental role as a legitimizing mechanism for investors and shareholders. Arthur Andersen was able to interpret this emerging need and build a service model that not only responded to technical requirements but also to an ethical framework. From the outset, the firm was committed to establishing rigorous standards of independence from clients, even if it meant losing contracts. This distinctive ethos was key to gaining credibility in a market that was still in the process of consolidating the role of the auditor as a guarantor of financial information (Healy & Palepu, 2003).

During the first decades of the 20th century, Andersen positioned itself as one of the leading audit firms in the United States. Its reputation was strengthened in 1915 when Arthur Andersen refused to manipulate the financial records of a client company seeking to inflate its assets to obtain

financing. Although the decision meant losing the client, it consolidated the firm's prestige as a symbol of integrity. This episode, frequently recounted in business ethics textbooks, exemplifies how the construction of institutional legitimacy was anchored in unwavering ethics (Toffler & Reingold, 2003).

The firm's consolidation was also associated with a rigorous professional training system. Andersen believed that technical excellence should be inseparable from ethical integrity, so it implemented internal training programs and promoted the continuing education of its associates. The organizational culture was based on discipline, effort, and meritocracy, which generated a strong sense of belonging and loyalty to the institution (Canales & López, 2007). This commitment to training anticipated what is now known as specialized human capital, turning Andersen into a school for highly trained business leaders and auditors.

The firm's expansion was gradual but sustained. During the 1920s and 1930s, Andersen consolidated relationships with companies in strategic sectors such as energy, transportation, and manufacturing. In this process, auditing was not conceived solely as a verification activity, but as an essential function to ensure transparency in a capitalist system increasingly dependent on public trust in financial statements. In this sense, Arthur Andersen contributed to institutionalizing auditing as an indispensable profession for market stability (Coffee, 2007).

Table 1: Comparative Table: The Legacy of Arthur Andersen and the fall of the Roman Empire: An Analysis of Ethical Decline.

Category	Arthur Andersen (Auditing Firm)	Roman Empire (Political Empire)
Historical context	It was one of the "Big Five" of global auditing, with a reputation for technical excellence and ethical rigor, until its collapse in 2002 following the Enron scandal.	One of the most powerful empires of Antiquity (27 BC - 476 AD), with unprecedented territorial, military and cultural expansion, which eventually fragmented.
Key ethical factor in decline	Loss of independence and objectivity in audits; economic benefits were prioritized over professional ethics.	Administrative corruption, loss of civic values, and the decay of republican morality; the pursuit of luxury and power weakened institutions.
Signs of deterioration	Manipulation of financial statements, complacency with strategic clients, destruction of evidence in investigations.	Internal political crises, power struggles, concentration of wealth, excessive exploitation of provinces, and decline of military discipline.
Loss of power	Immediate loss of credibility in the global market; exclusion from the accounting practice in the U.S.; disappearance as an audit firm.	Gradual loss of military, political, and economic cohesion; barbarian invasions precipitated the fall of Western Rome.
Loss of value	The reputational capital built over nearly 90 years was reduced to zero; partners and employees lost jobs and prestige.	Destruction of the political and territorial legacy; fragmentation into Germanic kingdoms, although their culture and law influenced the West.
Ethical lessons	Organizational sustainability depends on integrity and social responsibility, not just profitability.	The durability of an empire demands discipline, shared values, and ethical stewardship of resources.
Legacy	It serves as a warning in accounting and auditing about the risks of ethical complacency.	He left behind law, architecture, engineering, and culture, but also the warning of collapse due to moral decay and corruption.

Fountain: Own Elaboration

A central element of consolidation was the development of a distinctive corporate identity.

Unlike other firms of the time, Andersen promoted a uniform working style, based on standardized manuals and homogeneous methodologies. This allowed for consistent service delivery regardless of the partner or office responsible. Such uniformity reinforced the perception of reliability of the Andersen brand, which increased its reputational capital and allowed it to compete in emerging markets (Canales & López, 2007).

At the same time, the firm distinguished itself by its early internationalization. By the mid-20th century, Arthur Andersen had begun establishing offices in Europe and Latin America, anticipating the globalization of financial markets. This strategy allowed it to position itself as a global player long before the multinational phenomenon became widespread in the second half of the century. Its international expansion was guided by the same principles of integrity and technical rigor that had characterized its origins in the United States, reinforcing the consistency of the Andersen brand across different geographies (Healy & Palepu, 2003).

The results of this period of consolidation show that Arthur Andersen's success cannot be explained solely in terms of business strategy or market expansion. The differentiating factor lay in ethics as an institutional asset. In an environment marked by uncertainty and increasing financial complexity, Andersen offered more than audits: it offered trust. This intangible asset, difficult to quantify but crucial to the sustainability of any organization, was the pillar upon which the firm's global reputation was built (Canales & López, 2007).

A comparative analysis with the Roman Empire reveals an interesting parallel in this initial phase. During its republican era, Rome also based its expansion on a set of shared ethical values – *virtus*, discipline, and a commitment to the *res publica* – that lent legitimacy to its institutions (Syme, 1939; Goldsworthy, 2009). Similarly, Arthur Andersen founded his greatness on an ethos of rectitude and an unwavering commitment to accounting truth. In both cases, initial legitimacy was closely linked to ethics, suggesting that trust constitutes a structural resource for the consolidation of any institution, whether political or business.

The results show that Arthur Andersen's historical evolution was marked by the interaction of three key factors: (i) a founding leadership focused on ethics, (ii) the construction of a culture of technical excellence, and (iii) the creation of reputational capital based on public trust. This three-pronged approach explains why the firm consolidated its position as a global benchmark in auditing and why

its early history continues to be studied as a model of professionalism and excellence. However, as will be analyzed in the following sections, this same greatness contained within it the seeds of future contradictions, as the founding ethics, over time, transformed into dogma and ended up being displaced by market pressures.

4.2. Cultural Transformation and Global Expansion

The second stage in Arthur Andersen's history is characterized by a profound change in its organizational culture and a sustained process of international expansion that, while consolidating the firm as one of the "Big Five," also introduced internal tensions that would gradually erode its founding values. This period, which developed primarily from the second half of the 20th century, represents the transition from an organization oriented toward technical rigor and professional ethics to a global enterprise subject to market pressures and the logic of growth maximization.

First, international expansion was one of Andersen's most visible achievements during this period. The opening of offices in Europe, Latin America, and Asia responded to the growing globalization of financial markets and the need to support multinational clients seeking uniform services across jurisdictions (Canales & López, 2007). This strategy allowed Andersen to position itself as a global player capable of offering the same standard of auditing and consulting in different cultural and regulatory contexts. However, this expansion also meant a diversification of practices and the incorporation of professionals who, at times, did not fully share the firm's founding ethics.

A second key element was the transformation of its service portfolio. From a firm dedicated almost exclusively to auditing, Andersen became a conglomerate offering strategic, technological, and financial consulting. This diversification responded to the growing demand from corporations seeking not only independent audits but also advice on optimizing their management and designing complex financial structures. The problem was that this duality generated a conflict of interest: the same firm that was supposed to independently evaluate financial statements was also the one that recommended and designed business strategies for clients (Healy & Palepu, 2003).

The introduction of consulting radically changed the organizational culture. Auditing, historically conceived as a function of control and safeguarding transparency, became secondary to consulting,

which generated higher profit margins. This shift in priorities translated into increasing pressure on partners to attract and retain large clients, even when this meant relativizing the principles of independence. According to Toffler and Reingold (2003), Andersen's cult of excellence began to transform into a cult of growth, in which profitability prevailed over ethics.

Andersen's internal culture, which in its initial stages had been a space for ethical and professional development, became a highly competitive environment. Incentives were designed to reward economic performance, which encouraged aggressive sales practices and weakened the sense of community. This phenomenon coincides with what Canales and López (2007) call the paradox of excellence: the very desire to be the best firm in the world ended up eroding the values that had made its greatness possible. In other words, the pursuit of perfection transformed into excessive pressure, and excellence ceased to be an ethical ideal and became a commercial imperative.

In this context, it is illustrative to draw a parallel with the Roman Empire in its imperial phase. Like Andersen, Rome shifted from a system based on civic and republican values to an expansionist model where territorial and economic grandeur displaced civic virtue. During the Republic, *virtus* and discipline were pillars that legitimized political and military authority; however, in the imperial period, these virtues were diluted in a patronage system dominated by the pursuit of power and wealth (Syme, 1939; Goldsworthy, 2009). This expansion, which initially consolidated Rome's greatness, also sowed the seeds of its internal crisis by weakening the founding principles of cohesion and legitimacy.

In both cases, territorial expansion in Rome, and corporate expansion in Andersen, brought with it institutional rigidity and a loss of flexibility to respond to new dynamics. Rome had to maintain an increasingly costly military and administrative apparatus, which led it to resort to patronage and corruption. Andersen, for its part, faced a difficult-to-control global structure in which the original ethical principles were subordinated to the need to satisfy increasingly powerful clients. Consequently, both Rome and Andersen experienced a fundamental contradiction: the more they grew, the further they strayed from the values that had led to their success.

The outcome of this phase shows that the process of globalization and diversification, far from strengthening Andersen's ethical identity, paved the way for its institutional fragility. The auditor's core professional independence was sacrificed in the

name of profitability, and the culture of excellence gave way to a system of internal pressure and competition that weakened the firm's cohesion. Just as Rome paid the price of its expansion with the loss of its republican *virtus*, Andersen paid the price of its internationalization with the loss of its ethical independence.

The findings of this second section show that Arthur Andersen's cultural transformation and global expansion, although successful in economic and positioning terms, were factors that directly contributed to its subsequent collapse. The historical parallel with Rome reinforces the thesis that institutions can succumb not only to external factors but also to internal contradictions that emerge precisely at the moment of greatest splendor.

4.3. Independence Crisis and Institutional Collapse

The collapse of Arthur Andersen constitutes one of the most paradigmatic episodes in the contemporary history of accounting and auditing. This process cannot be understood solely as the result of the Enron case, but as the visible manifestation of a progressive deterioration in the firm's independence and ethical culture. Andersen's fall, like the final decline of the Roman Empire, must be analyzed as the outcome of a long-term process in which the loss of legitimacy, corruption, and the inability to reform internal structures became determining factors.

First, it is important to emphasize that professional independence was one of Andersen's most committed values during its final decades. Although the firm was founded with the conviction of rejecting clients who demanded accounting manipulation, by the 1990s its business logic had changed substantially. Economic dependence on large corporations, particularly Enron, led Andersen partners to relax their independence criteria in order to maintain profitable business relationships (Healy & Palepu, 2003). This loss of independence was not an isolated incident, but a pattern repeated in different offices of the firm around the world.

The Enron case represented the turning point. Enron, one of the most innovative and complex companies in the energy sector, built a network of special purpose entities and opaque financial transactions with the aim of hiding multi-million-dollar losses and overstating its results (McLean & Elkind, 2003). Arthur Andersen, as the auditing firm, not only certified these financial statements but also acted as a consultant in the structuring of these same transactions. The conflict of interest thus reached its

peak: the auditor ceased to be the guardian of transparency and became an accomplice to opacity.

Subsequent investigations showed that Andersen destroyed documents relevant to the investigation, further damaging its credibility with the public and regulators. The firm's defense strategy was weak: while some partners defended its tradition of excellence, others attempted to justify the errors as individual failings rather than a structural problem (Toffler & Reingold, 2003). However, the reputational damage was irreversible. In 2002, Andersen was found guilty of obstruction of justice in the United States, which led to the loss of professional licenses and a massive exit of clients. Although the Supreme Court later overturned the conviction, the firm's collapse was already a *fait accompli*.

This process reveals the fragility of an organization that, by prioritizing growth over ethics, became vulnerable to its own contradictions. Andersen's institutional collapse not only meant the disappearance of one of the world's most prestigious firms, but also had a profound impact on public trust in auditing and accounting. In historical terms, its fall can be compared to the collapse of the Roman Empire, which, while having multiple material causes—*invasions, economic problems, and military tensions*—was primarily marked by the loss of internal legitimacy. Rome, like Andersen, was unable to sustain the values that had been the basis of its social and political cohesion (Gibbon, 1776/1994).

The parallel between Andersen and Rome is particularly illustrative in the area of systemic corruption. In the Roman Empire, corruption was normalized as a political and administrative practice, undermining trust in institutions. In Andersen's work, corruption was not expressed in direct bribes, but in systematic compliance with client demands. In both cases, corruption was accepted as a lesser evil in the name of stability and profitability, until the systems collapsed under their own weight.

Another parallel can be seen in the loss of social legitimacy. Rome was no longer seen by its citizens as a guarantor of the common good, and its ruling elite was perceived as increasingly disconnected from the needs of the population. Andersen, for its part, was no longer perceived as a guardian of accounting transparency and was instead seen as part of the problem. The moment the public and regulators withdrew their trust, the firm was left without any organization's most valuable resource: credibility.

Arthur Andersen's crisis of independence and institutional collapse are a clear example of how the

loss of ethical values can disintegrate seemingly invincible organizations. Like Rome, Andersen achieved a level of power and prestige that seemed unshakeable, but his inability to maintain the integrity of his ethical foundations led to a resounding collapse. This outcome demonstrates that no structure, no matter how solid it may seem, can sustain itself indefinitely if it surrenders the ethical legitimacy that gives it meaning.

4.4. The Legacy of Arthur Andersen

The fall of Arthur Andersen, beyond being a symbol of the ethical crisis in the accounting profession, left a profound and ambivalent legacy in the fields of auditing, regulation, and the teaching of business ethics. This legacy can be analyzed in four broad dimensions: the cultural impact on the profession, international regulatory reforms, the ethical debate on professional independence, and the consolidation of Andersen as a universal educational example.

From a cultural and professional perspective, Andersen left its mark on what has been called the "cult of excellence" (Canales & López, 2007). For decades, the firm represented the aspiration for rigor, discipline, and technical leadership. Its internal training programs shaped generations of accountants and auditors, who were socialized in an environment of high professional demands. However, the same culture that produced rigorous auditors also generated pressures that led to complacent practices. Andersen's cultural legacy is, therefore, twofold: a benchmark of excellence that, at the same time, became a reminder of the risks of dogmatism and a lack of ethical adaptation.

Andersen's collapse prompted a series of international regulatory reforms. The most notable was the enactment of the Sarbanes-Oxley Act in 2002 in the United States, which introduced new transparency requirements, criminal liability for executives, and the creation of independent oversight bodies, such as the Public Company Accounting Oversight Board (PCAOB). These reforms transformed the way internal control systems and auditors' accountability are conceived (Healy & Palepu, 2003). In this sense, Andersen's legacy is undeniable: its fall marked a turning point in global regulation and in the strengthening of mechanisms to prevent conflicts of interest.

Andersen showed that the auditor, upon losing his independence, becomes a vulnerable actor and a weak link in the market's chain of trust. Complacency toward clients was not a technical error, but a structural ethical failure that called into question the

very essence of auditing as a social function. Consequently, today it is insisted that the auditor is not a simple service provider, but a guarantor of the public interest. Andersen's legacy consists of having made it clear that professional ethics cannot be sacrificed in the name of profitability.

It became a universal pedagogical case. Universities, business schools, and auditing programs include his story as an example of the risks that arise when the balance between technique, ethics, and the market is disrupted (Toffler & Reingold, 2003). This pedagogical approach has consolidated the role of forensic auditing as a tool for investigation and prevention, reinforcing the idea that students and professionals must be trained not only in technical skills but also in ethical skills. Andersen, in this sense, left behind a "moral warning" that has informed academic literature and debates on corporate responsibility.

When drawing a historical parallel, Rome's legacy is illustrative. Rome, although it collapsed as a political empire, left an indelible mark on law, architecture, public administration, and the conception of citizenship. Similarly, Andersen, although it disappeared as a firm, left a mark on the modern configuration of auditing and on the regulatory systems that govern capital markets today. Rome was an empire that died, but its cultural legacy remains the foundation of Western civilization; Andersen was a firm that collapsed, but its ethical and pedagogical legacy continues to shape the accounting profession.

Andersen's legacy should be understood not as an isolated episode, but as a permanent historical reminder. His story demonstrates that even the strongest organizations can succumb when they stray from the values that gave rise to them. Like Rome, Andersen teaches us that institutional greatness can only be sustained over time if ethical legitimacy and social trust are preserved.

Arthur Andersen's legacy is expressed in the transformation of international regulation, the strengthening of ethics as the cornerstone of auditing, the consolidation of forensic auditing as an academic and professional field, and the global awareness that excellence without ethics becomes a path to self-destruction. The parallel with Rome reinforces this conclusion: institutions may disappear, but their lessons remain as warnings for history.

5. DISCUSSION

A comparative analysis of Arthur Andersen and the Roman Empire reveals that institutions, both

corporate and political, share dynamics of rise and fall associated with the preservation or deterioration of their founding values. In both cases, history shows that power and expansion, far from guaranteeing stability, generate internal tensions that ultimately erode legitimacy.

The results presented in this work confirm what Canales and López (2007) called the "paradox of excellence": the obsessive pursuit of perfection can lead to an excessive pressure that weakens the principles that made initial greatness possible. In Andersen, the cult of ethical excellence degenerated into a cult of unlimited growth; in Rome, republican virtue was transformed into an imperial machine disconnected from its citizens. These findings align with classical historiography (Syme, 1939; Goldsworthy, 2009) that points to the loss of *virtus* as a key factor in Rome's crisis, and with forensic audit literature (Healy & Palepu, 2003; Toffler & Reingold, 2003) that identifies the lack of independence as the cause of Andersen's collapse.

The discussion allows us to argue that ethics is not an accessory component, but the core that gives meaning and sustainability to institutions. The cases analyzed show that when ethics are sacrificed in favor of profitability or expansion, collapse becomes inevitable. Thus, Andersen's collapse was not solely due to Enron, just as Rome did not fall solely because of the barbarian invasions: both succumbed to a crisis of internal values that weakened their legitimacy in society.

From a pedagogical perspective, this study offers a double learning. For the teaching of forensic auditing, Andersen becomes a paradigmatic case that exemplifies how the loss of independence and conflicts of interest destroy public trust. For history, Rome remains a mirror in which we observe the fragility of political systems that abandon their ethical foundation. The parallels between the two cases foster interdisciplinary reflection and reinforce the idea that ethics is a universal principle for institutional sustainability.

The contribution of this work also lies in its unusual comparative approach: by combining business history with classical history, it constructs a broader interpretative framework for institutional decline. This contributes to the field of accounting by showing that ethical dynamics transcend the technical and that auditors must be trained in historical, philosophical, and social skills, as well as technical ones.

However, the study has certain limitations. The comparison between Andersen and Rome relies on interpretive analogies rather than direct causal

relationships, which entails a risk of simplification. Furthermore, although relevant academic sources were used, the historical interpretation is conditioned by the perspectives of each author, which opens the door to historiographical and methodological debates.

The discussion reaffirms that the true legacy of Arthur Andersen and the Roman Empire lie not in their collapse, but in the ethical lessons they left for history. Their fall serves as a warning: institutions that sacrifice ethics in favor of power or profitability are destined to repeat the cycle of boom and bust.

6. CONCLUSIONS

The comparative analysis developed in this article allows us to conclude that institutions, whether political like the Roman Empire or corporate like Arthur Andersen, do not collapse solely due to external factors, but above all due to the erosion of their founding values. In the case of Rome, the barbarian invasions would not have had the same devastating effect without the prior decomposition of republican virtue and the widespread political corruption. Similarly, in the case of Andersen, the Enron scandal would not have had such decisive consequences if the firm had not gradually lost the ethical independence that had made it a model of excellence. The ethical crisis, therefore, appears to be a decisive factor that precedes and conditions the material factors of collapse.

The study also shows that unbridled expansion constitutes a recurring historical paradox: what grants greatness can become a source of vulnerability. Rome expanded its borders to unsustainable limits and ultimately weakened the internal cohesion of its political system. Arthur Andersen, for its part, diversified its services, entered new markets, and prioritized consulting over auditing, which generated conflicts of interest and a progressive loss of institutional identity. At both the imperial and corporate levels, the pursuit of unlimited growth ultimately weakened the solidity of the organization.

Professional ethics cannot be conceived as an accessory, but rather as the basis of the legitimacy of auditing and any control system. The auditor exists to safeguard the public interest, and when he or she sacrifices his or her independence to satisfy the demands of a strategic client or to ensure the firm's profitability, he or she loses his or her reason for being. Arthur Andersen starkly demonstrated that technique without ethics becomes complicity with opacity, and that complacency in the face of market interests erodes social trust. This lesson is

fundamental for teaching forensic auditing and for training professionals capable of resisting the pressures of economic power.

Similarly, it is concluded that Andersen's collapse, although it meant the disappearance of one of the most prestigious firms in history, had the indirect effect of consolidating international regulatory reforms aimed at strengthening transparency and auditor independence. The enactment of the Sarbanes-Oxley Act in 2002 is a paradigmatic example: following the crisis, stricter standards were established regarding executive accountability, audit oversight, and the protection of the public interest. In this sense, Andersen left a paradoxical legacy: it died as an organization, but its fall spurred significant advances in regulation and global accounting practice.

The parallel with Rome reinforces the idea that institutions can disappear, but their lessons remain as historical warnings. Rome left its law, its architecture, and its concept of citizenship as a legacy; Andersen left a pedagogical and ethical warning that is studied today in universities and forensic auditing programs around the world. In both cases, history teaches that institutional greatness does not depend solely on power or technology, but on the ability to preserve the ethical legitimacy that gives meaning and cohesion to any organization.

The lessons drawn from both the Arthur Andersen case and the collapse of the Roman Empire transcend their historical contexts, offering concrete guidance for contemporary auditing and organizational governance practices. In both instances, the erosion of transparency, the weakening of control systems, and the subordination of professional judgment to private interests precipitated institutional collapse. For present-day auditing, this implies strengthening ethical independence, reinforcing internal control systems, and ensuring financial information traceability as foundations of sustainability and trust (Coffee, 2007; Power, 2011). Likewise, in modern corporate governance, the experiences of Rome and Andersen invite a reconsideration of oversight mechanisms, power balance within organizations, and the public responsibility of audit firms as guardians of the common good (Clarke, 2007; Sikka, 2009). History ancient and modern alike demonstrates that the absence of ethical and structural controls invariably leads to the downfall of institutions that neglect their duty of transparency.

This opens the door to future research. Among these, there is a need to explore similar comparisons with other contemporary auditing firms, or with

other historical civilizations that experienced processes of rise and fall. Similarly, it is suggested to investigate how ethics teaching in accounting and

auditing programs can integrate historical cases to strengthen the comprehensive training of future professionals.

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