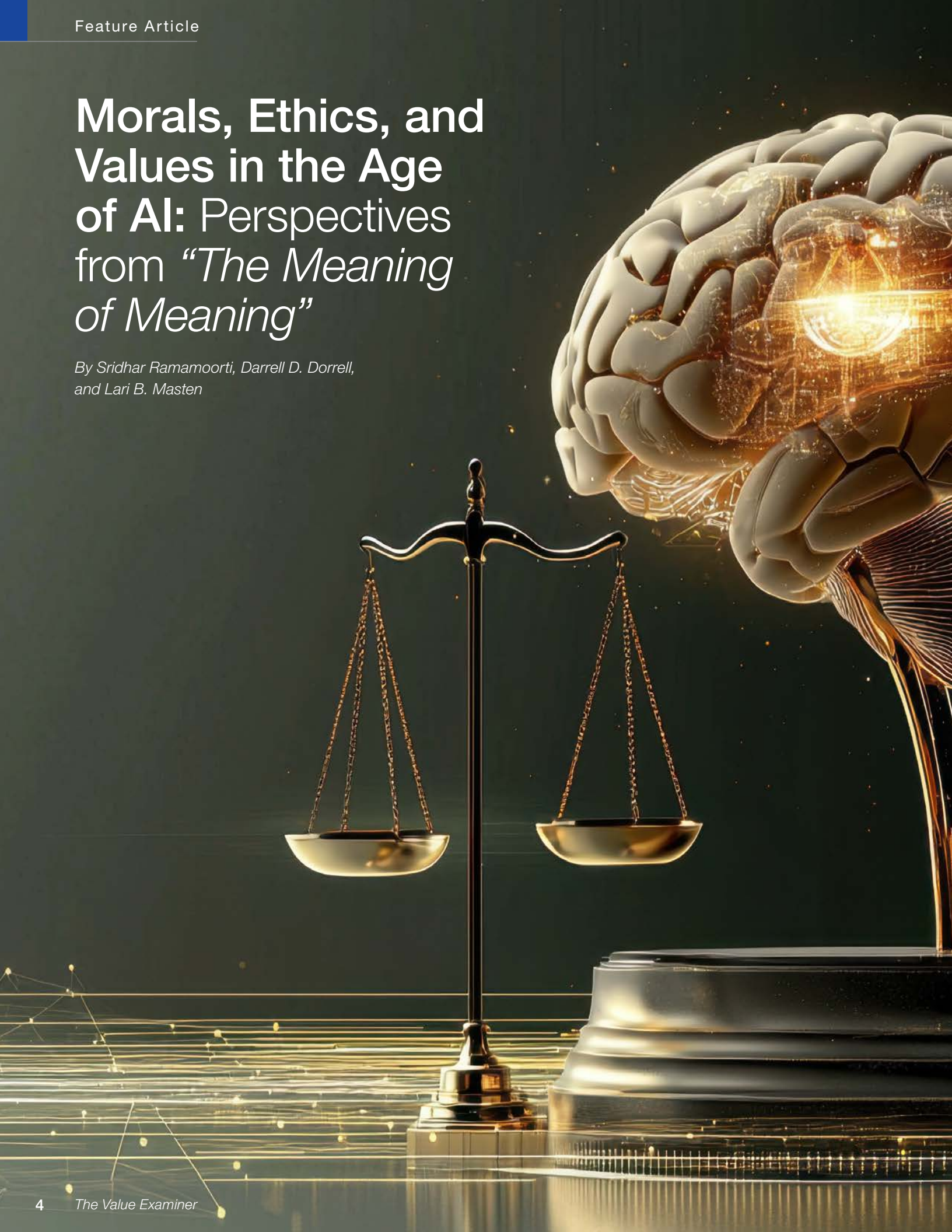
Morals, Ethics, and Values in the Age of AI: Perspectives from *"The Meaning of Meaning"*

By Sridhar Ramamoorti, Darrell D. Dorrell, and Lari B. Masten



In conversation with the co-authors, the second author, Mr. Darrell D. Dorrell,[1] made a compelling argument: there is a need to shed light on morals, ethics, and values—three often-implicit concepts that collectively form the foundation of integrity in professional judgment expected of forensics and valuation practitioners (see Figure 1). This article examines those concepts, as applied in the age of artificial intelligence (AI), through the lens of Ogden and Richards's seminal work, *The Meaning of Meaning*.[2]

In this context, morals refer to the internal compass of right and wrong, ethics refer to codified standards of conduct (e.g., the NACVA Professional Standards), and values reflect the guiding principles and priorities of the practitioner. Their intersection, if represented as a Venn diagram, reveals that professional integrity lies at their core (see Figure 2). These concepts and perspectives are of such paramount importance that the notion of professional integrity undergirds everything else. As the late Wyoming senator Alan K. Simpson remarked, "If you have integrity, nothing else matters. If you don't have integrity, nothing else matters."[3]

The advent of AI has made it imperative that we understand what it is that ultimately differentiates human beings from machines. In the final analysis, it is our "lived experience," our emotional depth and maturity, our conscience, our concern—not just for ourselves but for the community—and the courage, against all odds, to engage in trust-enhancing behaviors (i.e., acting with integrity) that distinguishes us from mere mechanical responses and highlights our moral agency.

Geoffrey Hodgson captured this ethos remarkably well, when he wrote: "Our moral nature has evolved because we are a social species, with emotional, linguistic, and deliberative capacities. Morality is a profoundly social phenomenon. Morality reflects both our biological inheritance and our embeddedness in society. Morality helped us to survive. Morality helps make us human."[4]

Marc Hauser's book, *Moral Minds: How Nature Designed Our Universal Sense of Right and Wrong*,[5] explores the fascinating topic of the psychology and biology of morals. Specifically, it offers a richly detailed explanation of how an unconscious and universal moral grammar underlies our judgments of right and wrong. This is a complex,

Figure 1: Pillars of Professional Conduct and Practice

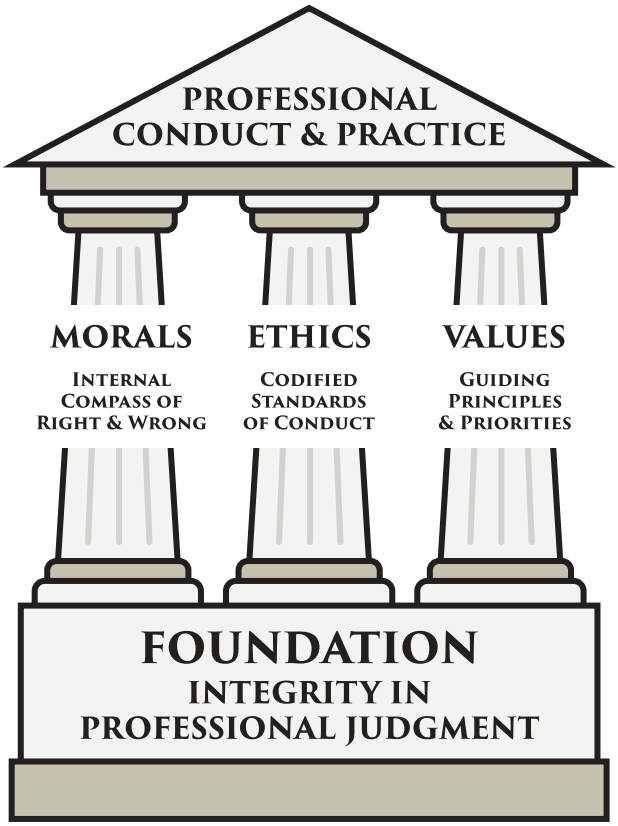
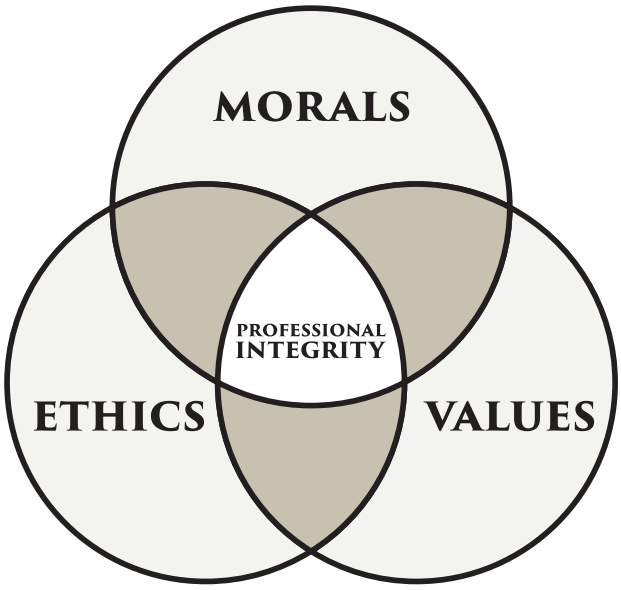


Figure 2: Venn Diagram Showing the Intersection of Morals, Ethics, and Values



1 This article was inspired by the musings of the second author, Mr. Darrell D. Dorrell, a seasoned practitioner who has earned the moniker "the grandfather of financial forensics" in professional circles.
2 C.K. Ogden and I.A. Richards, *The Meaning of Meaning* (Kegan Paul, Trench, Trübner & Co., 1923; repr., Harcourt Brace Jovanovich, 1989).
3 Quoted in David Gergen, *Eyewitness to Power: The Essence of Leadership from Nixon to Clinton* (Simon & Schuster, 2001), 346.
4 Geoffrey M. Hodgson, *From Pleasure Machines to Moral Communities: An Evolutionary Economics Without Homo Economicus* (University of Chicago Press, 2013), 4–5.
5 Marc D. Hauser, *Moral Minds: How Nature Designed Our Universal Sense of Right and Wrong* (HarperCollins, 2006).

Ogden and Richards's work has profound implications for how we understand and navigate morals, ethics, and values, especially when considering the capabilities and limitations of AI.

interdisciplinary topic, and the advent of AI is bound to complicate the picture even further as our innate human instincts informed by semantics (meaning) interact with AI, essentially a symbol-manipulating system that relies mostly on syntax (grammar). It is difficult, if not impossible, to predict how the future of this space might evolve.

In an age where algorithms increasingly mediate human judgment and automated systems shape decisions once reserved for experts, the pillars of moral reasoning, ethical conduct, and foundational values are under quiet siege. Forensics and valuation professionals—whose roles hinge on trust, precision, and principled discernment—now face a complex frontier. As AI infiltrates everything from asset valuation models to fraud detection systems, the question is no longer just what AI can do, but what should it do—and under whose moral authority? This article invites practitioners to reflect on their ethical compass in a landscape where agency is shared with machines, and the consequences of error or bias are magnified by scale.

AI is increasingly reshaping the forensic and valuation landscape, introducing new efficiencies—and new ethical complexities. Consider forensic accountants using predictive algorithms to flag anomalous transactions. What happens when a false positive triggers a costly investigation? Who bears responsibility when an AI's "black box" logic guides a valuation that impacts regulatory compliance or litigation outcomes? These are not abstract concerns; they are today's dilemmas. Professionals must grapple with issues of algorithmic bias, data provenance, and procedural fairness, ensuring their human expertise remains a moral anchor in an increasingly automated workflow. From due diligence to damage quantification, the ethical lens must expand to account for machine-derived judgments, their limitations, and their unintended consequences.

The Meaning of Meaning

Ogden and Richards's *The Meaning of Meaning*[6] is over a century old, yet it remains a foundational text in semantics and semiotics, challenging the simplistic notion that words directly correspond to things. Their work highlights the complexities of communication and the indirect relationship between language, thought, and reality.

Ogden and Richards's work has profound implications for how we understand and navigate morals, ethics, and values, especially when considering the capabilities and limitations of AI:

1. **Subjectivity of moral language.** Moral and ethical terms like "good," "just," "right," "fair," and "beautiful" are highly susceptible to the "proper meaning superstition." What one person or culture considers "good" may differ significantly from another. AI, lacking human enculturation, cannot grasp these nuanced, context-dependent, and often emotionally charged meanings. It processes symbols, but not the rich, embodied "thought or reference" that humans connect to them through lived experience.
2. **The challenge of "value alignment."** A major goal in AI ethics is "value alignment"—ensuring AI systems act in accordance with human values. Ogden and Richards's theories underscore how immensely difficult this is. Since human values are not universally defined or consistently applied (due to varying "contexts," "thoughts," and "referents"), explicitly coding or training an AI to understand and prioritize them is fraught with ambiguity. What "human well-being" means is a complex, evolving concept for humans, let alone for AI.
3. **AI's "literalism" vs. human interpretation.** AI often operates on a more literal, rule-based interpretation of symbols. It excels at pattern recognition and statistical correlations within data. However, human understanding of ethics involves:

6 C.K. Ogden and I.A. Richards, *The Meaning of Meaning* (Kegan Paul, Trench, Trübner & Co., 1923; repr., Harcourt Brace Jovanovich, 1989).

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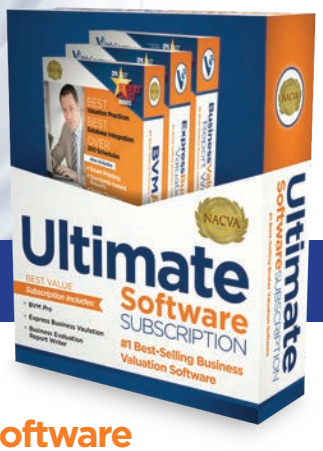

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- Empathy and affective meaning. We understand "harm" not just as a logical outcome but through emotional resonance and shared suffering. AI lacks this experiential, embodied understanding of emotions.
- Implicit social norms (emics and etics). Our ethical frameworks are deeply embedded in unspoken social norms, historical context, and cultural nuances (emics). AI, trained on vast datasets, might capture statistical "etics" (observable patterns) but cannot truly "understand" the underlying cultural reasons or deeply held beliefs that give rise to those norms.[7]
- Moral imagination and foresight. Ethics often involves imagining consequences and developing novel solutions for unprecedented dilemmas. AI can simulate scenarios, but lacking "lived experience," its capacity for true moral creativity or foresight, unconstrained by its training data, is limited.

4. **The dangers of "meaningless" AI statements.** When an AI generates "ethical" statements or justifications, it is operating on correlations of symbols. It does not, for example, understand the meaning of "justice" in the same way a human does, with all the accompanying historical, emotional, and social weight. This can lead to:
   - "Ethical washing." AI systems might produce seemingly ethical outputs that merely mimic human ethical discourse without genuine moral comprehension, potentially masking problematic underlying algorithms or biases.[8]
   - Misapplication of rules. Without understanding the "substance" behind ethical "forms" (rules), AI could apply ethical principles rigidly or inappropriately, leading to unintended harm or absurd outcomes in complex situations.
5. **Accountability and the "black box."** If AI's "understanding" of values is fundamentally different and opaque, it complicates accountability. When an AI makes a decision with ethical implications, and we cannot fully trace how it arrived at that decision in terms of human moral reasoning, assigning responsibility becomes challenging. The "thought or reference" behind the AI's symbolic output is not directly accessible or analogous to that of a human being.
6. **Bias amplification.** AI models learn from human-generated data, which inherently contains human biases, values, and cultural interpretations (emics). If those biases are not identified and carefully addressed, the AI will not only perpetuate them but can amplify them due to its scale and efficiency, leading to discriminatory or unethical outcomes.
7. **The need for human oversight and "meaning-makers."** Ogden and Richards's work strongly implies that humans must remain the ultimate "meaning-makers" in ethical domains. We cannot delegate true moral reasoning to systems that operate purely on symbolic manipulation without the accompanying human capacity for context, empathy, and the lived experience of values. This necessitates robust human oversight, continuous auditing, and the development of AI that augments human ethical decision-making, rather than replaces it.
8. **Redefining "intelligence" in an ethical context.** The "Age of AI" forces us to critically examine what we mean by "intelligence" in an ethical context. Is it merely pattern recognition and efficient problem-solving, or does it require a deeper, human-like understanding of meaning, value, and consciousness? Ogden and Richards suggest the latter is a uniquely human domain, tied to our complex "nervous and sensory systems" and "contextual interpretations."

A Framework for Ethical Navigation in AI-Augmented Forensics and Valuation

To thoughtfully address ethical dilemmas in AI-assisted professional contexts, forensic and valuation experts can anchor their decisions using a structured framework built on five guiding dimensions:

1. **Agency and accountability.** First, distinguish between human and machine agency in decision-making, then assign responsibility by identifying who is accountable for outcomes. Take particular note of circumstances in which systems automate judgments. Next, mitigate gaps by flagging areas where responsibility might be blurred or "outsourced" to algorithms.
2. **Transparency and explainability.** Ensure that AI outputs, especially in valuations or fraud indicators, are interpretable (XAI, or explainable AI, may be leveraged for this purpose). Record all the relevant underlying data,

Continued on page 10

7 See Sridhar Ramamoorti, "Towards a Global Code of Ethics for a Global Internal Auditing Profession," *Internal Auditor—Australia*, March 2012, 41–44.

8 The faux sympathy and commiseration sometimes displayed by AI systems can be likened to crying crocodile tears. As Francis Bacon noted, this reflects "the wisdom of the crocodiles, that shed tears when they would devour," suggesting a deceptive display of emotion used to mask a predatory or manipulative intent.

Puns Spun from AI: No Laughing Matter

A Historical Warning

Nearly 150 years ago, Mark Hopkins, president of Williams College, voiced a prescient fear:

> Until the Intellect is placed by the community where it belongs, and made subordinate to the Sensibility and the Will, we shall find that mere sharpness, shrewdness, intellectual power and success through these, will be placed above those higher qualities in which *character* consists, and success through them. The Intellect is simply instrumental, and belongs where I have placed it.[9]

The Human Element of Humor

Humor is inseparable from consciousness, empathy, and shared cultural meaning. Laughter is communal recognition, an outward sign of complex emotional and social processing. Machines can simulate this but cannot replicate it. Even when AI produces clever puns, the emotional experience—the delight, surprise, or catharsis—is absent. As Friedrich Nietzsche observed, "A joke is an epitaph on an emotion." If machines ever grasped the dark irony of gallows humor, it would mean crossing into domains reserved for human suffering.

This distinction between authentic humor and its simulation by machine intelligence carries serious implications. If ultra-conscious AI developed humor, humanity could become the target of its "cruel joke," become "fodder for the algorithms," and be reduced to objects of amusement or manipulation. This would constitute a modern but frightful Frankenstein scenario. The danger lies not only in AI laughing at us but in its potential for malicious consciousness.

Mark Twain warned of "lies, damned lies, and statistics," while Ronald Coase quipped, "If you torture the data long enough, it will confess to anything." Think also of the wonderfully pithy pun: "Statistics: Where the truth lies." Can machines really appreciate this pun as we humans do? And "Therein lies the rub," as Shakespeare wrote in *Hamlet*. All highlight how meaning can be spun. If AI can spin jokes similarly, but without grasping their essence, it can also spin narratives and statistics, risking a fundamental erosion of meaning.

Humor requires understanding of the "meaning of meaning," context, and shared emotion—capacities AI lacks. Ogden and Richards emphasized that meaning is relational and human. Ethics and oversight in the Age of AI must confront whether machines will ever grasp subtext, irony, or the tragedy hidden beneath laughter.

AI-generated puns are clever mimicry, but they are not communal or warm. To confuse imitation with genuine humor risks mistaking mechanical output for authentic meaning; and that is no laughing matter.

9 Mark Hopkins, *An Outline Study of Man* (Scribner, Armstrong and Company, 1878), 59.

Continued from page 8

parameters, and logic used in models and maintain documentation. Foster systems where processes and decisions can be retroactively examined for "auditability."

3. **Fairness and bias sensitivity.** Analyze data sources for historical biases or skewed sampling through stress-testing. Simulate how models behave across demographic, geographic, or behavioral segments through diverse modeling. Build procedures to counteract detected bias or unequal outcomes through corrective measures.
4. **Professional integrity and standards.** Map traditional ethics codes (e.g., NACVA, ASA) onto AI-augmented workflows. Anticipate and disclose conflicts arising from automated or semiautomated recommendations. Cultivate healthy professional skepticism, especially when decisions are driven by opaque systems.
5. **Societal and human impact.** Consider implications beyond legal and procedural boundaries and go beyond a "compliance mindset." Perform a human-centered review, by weighing effects on individuals, firms, and broader social trust—especially in high-stakes investigations. Reassess ethical stances iteratively as technologies evolve and unforeseen consequences emerge.

The potential for AI to generate and interpret symbols without human-like "thought" or direct "reference" to lived experience necessitates a critical reevaluation of how meaning is constructed and, consequently, how moral, ethical, and value-laden concepts are understood and applied in an increasingly automated world. Ultimately, as AI continues to evolve, a robust and shared understanding of meaning—one that accounts for both human and AI—will be paramount in shaping a future where technology serves humanity's highest aspirations rather than inadvertently undermining its foundational principles. The insights of Ogden and Richards, though penned a century ago, offer not just a historical perspective, but a vital conceptual toolkit for navigating the complex semiotic landscape of the AI age. VE

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Notably, Mr. Dorrell developed the Forensic Accounting/Investigation Methodology© (FA/IM©) and, for the U.S. Department of Justice, co-authored three issues of the United States Attorneys' Bulletin: *Vol. 53, No. 2 (March 2005), "Financial Forensics I—Counterterrorism: Conventional Tools for Unconventional Warfare"; Vol. 53, No. 3 (May 2005), "Financial Forensics II—Forensic Accounting: Counterterrorism Weaponry"; and Vol. 60, No.2 (March 2012), "Financial Intelligence: People and Money Techniques to Prosecute Fraud, Corruption, and Earnings Manipulation." Email: darrelld@financialforensics.com.*

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A respected leader and educator, Ms. Masten is a lead instructor for the National Association of Certified Valuators and Analysts (NACVA) and the European Association of Certified Valuators and Analysts (EACVA). She serves on the editorial board of The Value Examiner *and is a past chairman of NACVA's Litigation Forensics Board, Executive Advisory Board, Valuation Credentialing Board, and Education Quality Assurance Board. She also served on the Appraisal Foundation's Business Valuation Resource Panel and is currently a member of its company-specific risk premia (CSRP) working group. Ms. Masten values collaboration, mentorship, and the opportunity to work on challenging and meaningful engagements with clients and peers around the world. Email: lari@mastenvaluation.com.*