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Is your ethics hotline silent by default or by design?

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As confidential reporting service providers, we hear varied opinions from organizational leaders about the use of whistleblower hotlines and anonymous reporting. Some are staunch supporters, others vehemently opposed. Call them what you will—hotlines, ethics lines, helplines, snitch lines, integrity lines—most leaders feel strongly about whether to offer them to employees, and more strongly about whether to offer them to vendors and other third parties, and even more strongly about allowing reports to be addressed to a company's board of directors.

It seems that many senior leaders in organizations of all sizes believe that if they don't receive complaints of misconduct in the first place, they won't have to address the underlying issues. But if no one hears an employee complaint, does it cease to exist?

Below are several ways organizations discourage reports of unethical or illegal conduct, unintentionally (or not). This often creates a larger problem: It creates the appearance of sweeping complaints under the rug—or worse, of covering up real wrongdoing. Leaders and management simply cannot ignore or tolerate fraud, corruption, or a toxic working environment at any level of an organization.

Note: The examples described in each section below are based on actual discussions.

Tone-deaf at the top

Large firm chief compliance officer: *I do not like anonymous reporting. I tell everyone that they should just come into our office at any time if they have something to report. I can't investigate reports made anonymously. How would I know if the reporter isn't just making it up knowing there won't be any consequences?*

Everyone knows the bedrock of an organization's culture is laid by the leaders' tone at the top. A company that does not support confidential reporting is not ensuring a strong ethical foundation. For example, recall the famous 2020 NBA "bubble" where players could report quarantine safety protocol violations anonymously. The reporting mechanism was undermined and referred to repeatedly by coaches, players, and even journalists as the "snitch line" and the whistleblowers as "rats."[1]

Studies have shown consistently that employees do not report suspected or witnessed wrongdoing for two reasons: because of a fear of retaliation for reporting and/or because they feel nothing will be done in response to the report. How does your organization respond to whistleblower reports? Are the reporters referred to as "snitches," "rats," or other derogatory terms? Are reports dismissed without investigation simply because they were reported anonymously? Is the first question asked, "Who reported this?" before a determination is made whether to investigate? During onboarding, are company sales and marketing materials pored over in detail and with great enthusiasm, but ethics and compliance matters rushed through and referred to as "boring but

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mandatory"?

Some leaders feel that the culture in their organization is such that no one need to report wrongdoing anonymously because of open-door and anti-retaliation policies. That they are "a family." The claim is that anyone should feel comfortable simply walking into the company's human resource office or their supervisor's office to report anything they want. Some say employees should be coached on how to have courageous conversations. Some organizations' codes of conduct state in no uncertain terms that anonymous reports may not be investigated if there is "insufficient" information provided. This is all fair commentary. In a perfect world, employees would feel safe reporting any issue openly and in great detail. However, as someone who has read more than 10,000 whistleblower reports, I can say with confidence that there are times when you can see that it takes all the courage a reporter has to simply report an issue anonymously in hopes that someone, somewhere is listening and will investigate.

An anonymous reporting option does not have to be the only option—nor should it be. But it is one avenue that should be available to everyone in an organization, including vendors and other third parties. This accessibility is critical for those who also serve as front-line defense for a company's culture and its ethics and compliance program requirements.

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