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Whistleblowing: Protecting the ethos of a company and its employees

By Sara Kennedy

Whistleblowers undoubtedly play an essential role in uncovering misconduct, corruption, and unethical behavior. Just last year, Thomas Fischer brought to light the Medicare fraud occurring in the Indiana-based Community Health Network, which led to a lawsuit with the U.S. government worth \$345 million.^[1] Sarah Feinberg did something similar when she reported her former employer, military contractor Booz Allen Hamilton, for improperly billing the government for unrelated costs. Her revelation led to the recuperation of \$377 million.^[2] Time and again, claims like these have helped protect investors, save millions in public funds, safeguard the marketplace, and avoid reputational damage, should a business have the internal channels in place to report wrongdoing.

Though whistleblowing processes are typically safe and secure, problems sometimes crop up. Internal channels for whistleblowing are not always the perfect solution.

Obviously, exposing wrongful activities always has the potential for repercussions and can lead to workplace retaliation. Threats of disciplinary actions are not unheard of. And we would be naive to think they may not lead to poor performance reviews. Demotions, pay reductions, gaslighting, professional isolation, and job termination are also possible, as some employers can find ways of bypassing workplace rights to keep whistleblowers quiet—or at least discredit their claims.

Regardless, data shows that people are more inclined than ever to come forward to report misconduct, illegal activity, and other workplace issues. In 2023 alone, the Commodity Futures Trading Commission's Whistleblower Office received a record number of tips, totaling 1,530 disclosures.^[3] The Securities and Exchange Commission (SEC) saw even more, fielding over 18,000 claims.^[4]

At the center of whistleblowing cases like these is often an individual who simply wants to do the right thing. After all, the workforce demographics are changing, and with that comes a new generation of employees who have higher expectations of the companies they work for. A culture of compliance, fair treatment, integrity, transparency, and good governance are just some of the factors these employees care about. Without the proper channels to report ethical issues or misconduct—and immediate action to resolve them—chances are good that employees will seek other avenues, such as social media, that could negatively impact a company.

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