

Whistleblowers

[Business](#), [Management](#)



Whistleblowers of Misconduct in Organizations Will increasing rewards for whistleblowers to above 30 percent of the fines increase the reporting of corruption?

Financial misconduct and overall white collar crime at the corporate level comes with negative economic implications. The 2008/2009 global economic crisis is just a one case in point where by the whole world suffered significantly because of Wall Street White Collar Crime. It is therefore very important that measures are put in place that enables prevention of corporate financial misbehavior by putting more legal responsibility on corporate for their actions. The reason as to why many cases under the FIRREA Act have not progressed to prosecution is lack evidence to sufficiently prove wrongdoing. The cap of \$1. 6 million in terms of compensation for whistle blowing is not sufficient enough to encourage individuals to come forward and give evidence for wrongdoing within organizations. By increasing the rewards for blowing to at least 30% of the recovered sums therefore, congress will make it more possible for the Department of Justice to collect quality evidence that will enable completion of cases involving complex financial crimes. This is because as a whistleblower, one job, life and family future is at stake hence with sufficient compensation, the benefits of reporting will exceed those of keeping quite. In the end more people witnessing corporate crimes in organizations will be able to come out and speak or provide the details of the crimes hence reduce misconduct in organizations.

2. Will encouraging whistle blowing create a culture of suspicion and distrust among employees where whistle blowing “ might” occur?

An environment of mistrust is inevitable with whistle blowing and this may affect the flow of work. This is because one has to really check whether to share information with other members of staff and due to the fear and immense suspicion brought about corporation may be affected. Generally whistle blowing requires a lot of courage and self confidence and as such many people coming from low income backgrounds are deterred from reporting for some reason. Sometimes also individuals who blow the whistle on significant unlawful activities are some extend subjected to some of harassment and mistreatment and this significantly affects the practice considering that the individuals' is at stake. As such therefore encouraging whistle blowing may breed distrust among employees with significant impact on the flow of work. But this will be necessary for the overall benefits of the economy and therefore the practice must be encouraged. In fact increasing the incentives will make it possible for more people to confidently report crime as their own and their families' welfare will be guaranteed of protection. Furthermore, it will enable sharing of quality evidence which will make it possible for investigations of white collar crime to be completed. As such therefore the mistrust will not be significant as even the whistleblowers being cognizant of their moral responsibilities will only report where there is wrongdoing and not with the intentions of gaining fame. In my opinion therefore encouraging whistle blowing may breed mistrust but in end will encourage organizations to adhere to ethical standards of business and individual employees to do just the right things.

3. Since the Government has historically only pursued 5 percent of the whistle blowing cases hat it receives, will increasing the penalty put more

employees in a questionable position if they are incorrect about the misconduct?

In the case wrongful reporting of misconduct in organizations there is no doubt the particular employees place themselves in a position that is highly questionable. This is made even worse by the fact that the government has only been able to pursue a paltry 5% of the cases it has so far received through whistle blowing. But borrowing a leaf from the Dodd-Frank Act which saw the Securities Exchange Commission reward corporate whistle blowers with up to 30 percent of the recoveries, it becomes clear that the move is necessary and sufficiently called for. In 2013 alone SEC spent over \$14 million in payments towards whistle blowing under the act. On the other hand there is not a single prove of payment that has been made the FIRREA act which has been in operation since the year 1989. This clearly shows that increasing not only increases whistle blowing but also the quality of whistle blowing. The persons who come out with evidence of wrong doing are very sure of their information and are doing so for the benefit of the public, not to acquire fame. therefore it is true giving wrong information may place an employee in a questionable but the spirit of the move is to enable the department of justice carry out more quality investigations and prosecute cases of misconduct hence in the ultimate beneficial for the economy. Chances of someone coming out with false whistleblower information are minimized by the fact that even the employees themselves have the obligation of being ethical and may face legal action for misinformation.

Works Cited.

1. Devlin Barrett. “ Eric Holder to Propose Bigger Rewards for Wall Street Whistleblowers.” The Wall Street Journal, 2014.