

Second of Two Part Series on Business Ethics,
Part 1 on White Collar Crime

**CEOs on Whistleblowing—Publicly Traded Companies
Replace Governments as Most in Need of Whistleblowers;
Whistleblowers Need More Legal Protection**

**Weekly CEO/Business Leader Poll By COMPAS in *Canadian Business*
For Publication Week of February 13th, 2012**



**COMPAS Inc.
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1.0 Introduction

In this second of a two part series on business ethics, the CEOs and business leaders on the COMPAS business panel come out strongly for more protection for whistleblowers. By ratios ranging from 6:1 to 10:1, panelists believe that whistleblowers have too little rather than too much protection. Panelists see a special need for whistleblower protection in the case of publicly traded corporations and governments.

Seven years ago, panelists thought that whistleblowers in governments needed the most protection; today, it is publicly traded corporations that attract the attention of panelists.

These are the key findings from this past week's Internet survey of CEOs and business leaders on the COMPAS panel. The weekly business survey is undertaken for *Canadian Business* magazine.

2.0 Findings

Panelists' perceptions of sector priorities and of the need for whistleblower protection are displayed in tables 2.1 and 2.2. Verbatim comments follow.



Table 2.1: In your opinion, which of the following types of organizations needs laws to protect whistleblowers reporting financial fraud the most? Please choose one. RANDOMIZE¹

	2012	2005
	%	%
Publicly traded companies	44	20
Governments	33	59
Privately held companies	12	15
Not-for-profit organizations	9	1
Don't know/Refused	2	5

Table 2.2: Laws and practices governing whistleblowers have to balance the power of organizations that may be guilty of wrong doing and the power of whistleblowers to make false accusations. In the case of each of the following organizations, do you think that whistleblowers today have too much power or not enough power? RANDOMIZE

	TOO MUCH POWER	JUST RIGHT AMOUNT POWER	TOO LITTLE POWER	DNK
Not for profit organizations	7	33	42	18
Government departments and agencies	7	20	65	8
Private corporations	6	37	41	17
Publicly traded corporations	6	22	62	9

¹ Wording in 2005: (Q2) In your opinion, which of the following types of organizations needs laws to protect whistleblowers the most? [RANDOMIZE]



The following verbatim comments provide a nuanced sense of respondent opinion:

It is about time Canada toughened up the laws on corporate fraud as a crime. Whistleblowing is a good way to help law enforcement agencies get the job done as they do not have the staff to do it. We are better to risk dealing with a few false accusations than to slide down the slippery slope of ever increasing corporate corruption.

Unions have huge amounts of monies that supposedly belong to their members but are controlled in some cases by only one individual who spends as they see fit. I would like to have CRA do mandatory audits on Union funds.

Bay Street and Wall Street given the slap on the wrist is [a] joke. Brokers and lawyers write the regulations; the OSC is a joke pretending to protect investors' interest, against insider trading etc. Given the state and sophistication of the markets - insider reporting should be [the very] day following the trade. Whistleblowers are pillared, and trashed in the process to protect the status quo. It's just a good ole boy club. Steal millions and you get 2 years less a day, at Club Ontario. Minimum 5 years of which 3 in fed institution.

Having been a recent victim of the consequences of a fraud, I am deeply disturbed as to lack of interest in prosecuting.

The biggest problem is the improper use of monies within the public domain. That includes all entities except, to a certain degree, private corporations. The latter has a greater involvement at the owner level and that, in itself, creates an automatic verification and control process.

Fraud is Fraud ... prosecute ... period.

Corporate law needs revisiting to stop company owners from selling assets and dumping debt, assets should be used to reduce debt and thus protect debtors and not leave them out to dry.



Restitution should be automatic with jail time.

The unfortunate perception in Canada is that if you rob a bank and are caught stealing you face a very long prison term in maximum security but if you steal millions through fraud from the same bank you will almost certainly not be prosecuted. If you are, you will likely not receive a prison sentence and if you do it will be short and in a minimum security facility. Something is wrong with this picture.

3.0 Methodology

The COMPAS web-survey of CEOs and leaders of small, medium, and large corporations was conducted January 6 – 7, 2012. Respondents constitute an essentially hand-picked panel with a higher numerical representation of small and medium-sized firms.

Because of the small population of CEOs and business leaders from which the sample was drawn, the study can be considered more accurate than comparably sized general public studies. In studies of the general public, surveys of n=86 are deemed accurate to within approximate 10.6 percentage points 19 times out of 20. The principal and investigator on this study is Conrad Winn, Ph.D.

