



Whistle blowing is now allowed

BY CARA MCDONOUGH, The Herald-Sun

July 8, 2007 7:16 pm

CHAPEL HILL -- It happens all the time. A disgruntled employee snags a few office supplies to take home. He takes his wife to dinner and writes it off as a work expense. Next he's turned a business trip into a family vacation on the company dime.

Other employees see what's going on, but are afraid to say anything.

Jacob Blass is working to change that.

Blass is president of Ethical Advocate, a Chapel Hill-based business that provides confidential, anonymous incident-reporting services.

Ethical Advocate is growing, with more than 1.2 million people using the service at companies all over the world. The service is available in some 150 languages and serves clients in all business sectors, including public and private companies, nonprofits, educational institutions and government agencies.

According to a study, said Blass, 50 percent of organizations are experiencing fraud at any given time and fraud cases at businesses in the U.S. result in an average of \$650 billion in losses per year.

Perhaps even more notable, studies show that 75 percent of employees say that they see unethical acts, but don't report them, he said.

People may not report their co-workers for several reasons, he said. They may be engaging in unethical acts themselves, they may not care or they may be afraid. Ethical Advocate works because it speaks to their fears, Blass said. The service is completely anonymous.

"The service that Ethical Advocate provides is an anonymous and confidential incident reporting mechanism," he said. "It's by far the most effective way to report fraud and other malfeasances."

Ethical Advocate -- a business staffed by Blass and about 35 other employees and contractors -- works in a simple but analytical way.

Once a business signs up for the service (cost is based on several factors, such as the size of the company and what specific services it requests), employees are given access to the Ethical Advocate web reporting system. All users receive a sign-in name and a password. If a company desires it, employees have access to a toll-free incident reporting call center as well.

Employees or other business stakeholders with access to the system are then able to anonymously report any unethical act. Designated representatives within the company receive e-mail notification any time a report is filed, and can then view that report -- but never change it -- by logging into the Ethical Advocate site themselves. Any future communication between the reporter and the reviewer is anonymous, said Blass.

Once the report is filed, the complaint is in the hands of the reviewer.

Of course, because of the nature of the business, certain situations must be taken into account. For instance, said Blass, in order to ensure employees felt safe reporting on any person, even the designated reviewer, a company could designate that multiple reviewers would receive reports when the service was used, "to ensure it cannot be squashed."

And how do you stop people from reporting on others for revenge when they're just angry?

"You can't," Blass said. "But the system has a built-in mechanism to give people pause."

Filing a report means a thorough process of answering a series of 27 questions. Blass said it's the equivalent of "counting to ten" when in a fight.

"It's just not worth the bother," he said. He added that he thought Ethical Advocate had never received a false report born out of anger between two employees.

But Ethical Advocate is more than a way to ensure employees aren't getting away with unethical behavior. It's more than an effective way to ensure a company doesn't lose money to fraud, and doesn't receive bad press because of it, Blass said.

The service is a great "feedback mechanism," he said. It's a great way to get people talking about a normally taboo behavior -- whistle-blowing.

Children, boys especially, are often told, "don't be a snitch, don't be such a tattletale," said Blass.

"As we grow up, a lot of those childhood admonitions -- we either drop them or we reconfigure them," Blass said. "This thing about 'don't be a tattletale' doesn't seem to drop off. It still seems to be something bad."

Blass said that when he asked people if they'd report their cars being stolen, or their houses being broken into, they said yes. Reporting unethical behavior in the office is another story, though.

"Even if we see bad things going on around us, we don't want to be a tattletale, unless it affects us personally" he said. "But we do it in a way that's safe and secure, and that's what this company is all about," he said.

According to Blass, once employees start feeling less afraid and more empowered, they find out the service is not all about creating a negative atmosphere, or telling on one another every chance they get. Instead, these businesses become better, more effective places to work.

And people start talking.

"What's happening is it's opening up ethical conversations from the start," said Blass. "Sometimes we just need a portal to walk through and allow the conversation to take place. Then the gates are wide open."

To learn more about Ethical Advocate, visit www.ethicaladvocate.com

URL for this article: <http://www.heraldsun.com/orange/10-863304.cfm?>