



WELCOME TO OUR ETHICS REPORTING SERIES

A FOUR-PART SERIES ON USING ETHICS REPORTING AS A STRATEGIC TOOL

PART FOUR: ETHICS REPORTING ROI: ETHICALLY SPEAKING.

A four-part series on ethics reporting (AKA whistleblowing) hotlines—an important resource to keep your workplace safe, and your company integrity in place.

What is the cost of not knowing what is going on within an organization? Bottom line: the less you know, the greater the risk of liability.

Having a solid ethics reporting hotline in place is simply an extra layer of protection against possible harm to your organization. It provides your company with a multitude of benefits, such as protecting your reputation and avoiding potential financial losses. It detects, deters, and responds to problem behaviours in the workplace. These behaviours can include everything from dishonesty and fraud to harassment or bullying, and communicating any problems is a strategic way to effectively mitigate these issues.

Traditionally the perception of ethics reporting (AKA whistleblowing) involved the exposure of serious crime by directly involving the police or other governmental authorities. While this can be considered one element of ethics reporting, the process today encompasses the disclosure of any and all wrongdoing to a third party that affects an organization, its people, and/or society.

MORALLY SOUND: BEST PRACTICES IN ETHICS REPORTING HOTLINES.

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REPORTING (AKA WHISTLEBLOWING)
HOTLINES-AN IMPORTANT RESOURCE
TO KEEP YOUR WORKPLACE SAFE, AND
YOUR COMPANY INTEGRITY IN PLACE.**

Ethics Reporting ROI: Let's Talk Dollars...

According to the Vancouver Observer (December 2017), Canadian 'Whistleblowers' lead the world in reporting financial crime. In July of 2016, the Ontario Securities Commission (OSC) launched the first ethics reporting program of its kind in Canada, the Office of the Whistleblower. As of September 2017, they have not disbursed any awards to individuals who have disclosed information, though their annual report* reveals that the office had received several credible tips and high-quality information in its first year.

In 2017 the program approved three no-contest settlements, resulting in approximately \$143 million being returned to investors. To date, eight no-contest settlements have been approved, accruing a total of \$342 million being returned to investors.





While such programs may be somewhat new in Canada, the United States has more solid numbers in respect to the return on investment involved with an ethics reporting program. According to the Office of the Whistleblower, an SEC program established in 2011, if the US government brings a case and imposes a sanction of more than \$1 million, between 10 and 30 percent is awarded to the individual disclosing the information.

In Canada, awards are capped at \$5 million for information about significant violations of Ontario securities law, such as insider trading, market manipulation, and serious accounting and disclosure violations.

The Office of the Whistleblower was designed to strengthen OSC's investor protection mandate and provide an avenue for credible tips and information to come forth that may otherwise have been difficult to detect. It is a solid deterrent against securities law violations in Ontario, and Canada.

Information gathered from EconomicTimes.com; the Vancouver Observer; Importance of Holistic Risk Mitigation Xpera white paper; and the Ontario Securities Commission, Office of the Whistleblower.