Company employees do not feel comfortable reporting unethical decisions of others. (Europeans Reluctant to Blow the Whistle, D. Clemmons, Internal Auditor, Aug. 2007, Vol. 64, Issue 4, p. 16, 1 page.)

Company whistleblowing program is effective where the hotline is open 24/7, company employees know the specific lines of communication, hotline personnel are trained interviewers, and hotline personnel protect employee confidentiality. AICPA recommendations. (Blowing the Whistle, Dave Slovin, Internal Auditor, June 2006, Vol. 63, Issue 3, p. 45, 6 pages.)

Corporate and Criminal Fraud Accountability Act of 2002 to protect whistleblowers against employment discrimination. Ethical corporate culture is more supportive of whistleblowers. (To Blow the Whistle or Not Is a Tough Decision, Curtis C. Vershoor, Strategic Finance, Oct. 2005, Vol. 87, Issue 4, p. 21, 2 pages.)


CPA firms are open to receiving written disagreements from dissenting audit staff re: differences of professional opinion on GAAP and GAAS issues in audit engagements. CPA firms do not overtly reward dissenting audit staff with firm-wide positive recognition; thus, dissenting audit staff may decide on future audit engagements to avoid filing written disagreements. (Whistle-Blowing on the Audit Team: A Study of Auditor Perceptions, P. Richard Williams and G. William Giezen, Research on Accounting Ethics (1998), Vol. 4, pp. 125-143.)

CPAs in industry must observe specific IMA rules for reporting discovered unethical acts. (A Proactive Whistleblowing Process, Don W. Finn, Management Accounting, Ethics Column, Feb. 1996, p. 16.)


Employers must respond to internal reports of unethical or illegal acts; otherwise, employees will file reports with law enforcement or news media. Whistleblowers acknowledge that they will be fired if they report unethical or illegal acts and that filing a lawsuit for discrimination or wrongful dismissal is fruitless. (Employee Attitudes Toward Whistleblowing: Management and Public Policy Implications, Eiletta Sangrey Callahan and John W. Collins, Journal of Business Ethics (1992) Vol. 11, 939-948.)

Ethical CPAs should work for CPA firms that demonstrate high ethical standards. (Why Ethics Are Good for Business, Robert Half, Journal of Accountancy, May 1994, p. 111.)


Internal accountants cannot assume they will be rewarded for internal reporting or whistleblowing. Practical steps to take when accountants discover unethical corporate conduct. (Resolution of Ethical Conflict, Neil E. Holmes, Ethics Column, Management Accounting, Dec. 1991, p. 14.)

Internal auditors can jeopardize their careers when they communicate the occurrence of fraud to management. (Don’t Shoot the Messenger, Courtenay Thompson, Internal Auditor, Dec. 2004, Vol. 61, Issue 6, p. 83, 3 pages.)

Internal auditors cannot prepare and submit a false written report to management that no unethical conduct was discovered when the opposite is true. Internal auditors who submit false written reports and the perpetrators can be convicted of criminal conduct (in the same boat). (Dealing with Known Corporate Wrongdoing, Michael E. Meier and Larry E. Rittenberg, Internal Auditor, Apr. 1986, pp. 37-42.)
Internal auditors need legal protection from retaliation for reporting fraud to management or the external auditor. (Internal Auditors’ Changing Responsibilities for Fraud Detection, Joyce C. Lambert and Thomas D. Hubbard, Internal Auditor, June 1989, pp. 13-16.)

Internal auditors should rarely use the formal whistleblowing process to communicate management unethical decisions to the company audit committee or board of directors. (Communicating Wrongdoing, Steven E. Kaplan, Larry E. Rittenberg and Joseph J. Schultz, Jr., Internal Auditor, Dec. 2006, Vol. 63, Issue 6, p. 89, 3 pages.)

Internal auditors should report unethical actions to the internal audit director who in turn should report to the company’s active audit committee. Internal auditors should report unethical actions to management, otherwise, or consult an outside attorney. Position paper on whistleblowing by Institute of Internal Auditors. (Internal Auditor, Dec. 1988, p. 16.)

Internal auditors should report unethical or illegal acts to management. Specific procedures are mentioned. (The Ethics of Whistle Blowing, Gil Courtemanche, Internal Auditor, Feb. 1988, pp. 36-41.)

Internal auditors should submit to management a preliminary report or a final report in the early detection phase of an unethical or illegal act. Specific procedures are mentioned. (Detecting and Reporting Illegal Acts, David L. DeHaven, Sr., Internal Auditor, Aug. 1990, pp. 52-54.)

Overview of whistleblower provisions of PCAOB, Internal Revenue Service’s Criminal Investigation Unit, and False Claims Act (contractor overcharges on federal government contracts). (Is This the Age of Whistleblowers? Curtis C. Verschoor, Strategic Finance, Jan. 2005, Vol. 86, Issue 7, p. 17, 2 pages.)


Principled accountants will report unethical conduct regardless of career damage. Unprincipled accountants (e.g., contingent fees and commissions), attorneys (e.g., class action lawsuits), doctors (e.g., unnecessary procedures and over-billing Medicare) find ways to maximize earnings via unethical actions. (The Pursuit of Professionalism, James P. Wesberry, Jr., Internal Auditor, April 1989, pp. 22-29.)

Proactive management is more responsive to receiving in-house reports of unethical conduct than reactive management. No guaranteed protection for whistleblowers via company or legal system. (Whistleblowing and the Professional: The Common Response to Whistle Blowers Is Retaliation, John P. Keenan and Charles A. Krueger, Management Accounting, Aug. 1992, pp. 21-24.)


SOX increases number of frauds detected by external auditors and decreases the number of frauds reported by company employees to management. (Sarbanes-Oxley Changes Sources of Whistleblowing, K. Alvarado, Internal Auditor, Apr. 2007, Vol. 64, Issue 2, p. 18, 1 page.)

SOX Section 806 and Civil Rights Act of 1964 Title VII are available to protect whistleblowers from employment discrimination in the workplace. Twelve court cases. Nine retaliation examples. (Retaliation: Unlawful, Unethical, or Just to Be Expected?, Deborah F. Beard, Strategic Finance, Aug. 2007, Vol. 89, Issue 2, p. 32, 7 pages.)

SOX Section 806 does not protect whistleblowers. Whistleblowers have won zero out of almost 1,000 employment discrimination cases to-date in the five year period of SOX. Companies that have an effective ethics function have a higher return on investment for shareholders than companies without: companies ROI outpaced the S&P 500 index by more than 370% over the most recent five years (according to consulting company Corpedia). (Ethical Culture More Important than Ever, Curtis Verschoor, Strategic Finance, Aug. 2007, Vol. 89, Issue 2, p. 11, 3 pages.)

Whistleblowers are employees who are loyal to the company and want the company to address the unethical actions. (The Case of the Willful Whistle-Blower, Sally Seymour, Harvard Business Review, Jan.-Feb. 1988, pp. 103-109.)
Whistleblowing ends careers. Internal accountants should encourage their employers to award ethical conduct and thus provide a more constructive environment for reporting of unethical actions. (More on Whistleblowing, Debra R. Meyer, Ethics Column, Management Accounting, June 1993, p. 26.)