



AMY BLOCK JOY, Ph.D.
Faculty & Author | University of California Davis

A Whistleblower's Case Study

Blowing the Whistle on Fraud at the University

DISCLAIMER: Viewpoints expressed in this presentation do not necessarily represent the official position of the University of California.



AMY BLOCK JOY, Ph.D.
Faculty & Author | University of California Davis

Background

University of California

- Faculty Member
- Director of USDA Program
- 32 Year Employee





AMY BLOCK JOY, Ph.D.
Faculty & Author | University of California Davis

Mistake!

Error on Spreadsheet

- \$60K Budget
- Increased by \$150K
- Hand-Written Note



AMY BLOCK JOY, Ph.D.
Faculty & Author | University of California Davis

ALARM!

Is this Embezzlement?

- Response About "Mistake"
- Files Locked
- No Key





AMY BLOCK JOY, Ph.D.
Faculty & Author | University of California Davis

Warning!

Purchase Order Has Red Flags

- Price (Expensive)
- Description (Vague)
- Separation of Duties (Missing)
- Vendor Instructions ("Pickup")

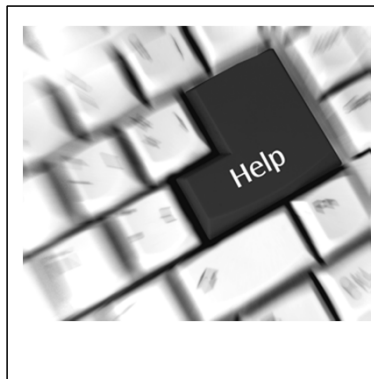


AMY BLOCK JOY, Ph.D.
Faculty & Author | University of California Davis

Moral Dilemma

Many Questions Arise

- Who to Tell?
- Responsibility?
- Process?



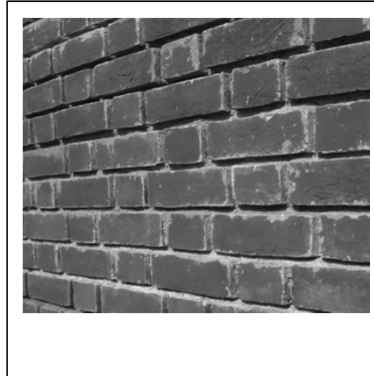


AMY BLOCK JOY, Ph.D.
Faculty & Author | University of California Davis

Internal Reporting

Hitting a Brick Wall

- Supervisor's Response
- Threats
- Intimidation



AMY BLOCK JOY, Ph.D.
Faculty & Author | University of California Davis

Moral Distress

- Discomfort
- Can't Sleep
- Stress



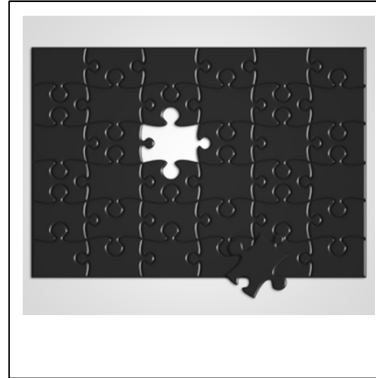


AMY BLOCK JOY, Ph.D.
Faculty & Author | University of California Davis

Putting the Puzzle Together

Investigation

- Meet with Internal Auditors
- Meet with Police
- Meet with Investigators
- Inform USDA



AMY BLOCK JOY, Ph.D.
Faculty & Author | University of California Davis

Retaliation!

Embezzler Files Whistle Blower Report Against Me!

- Whistleblower Protections
- Silence
- Consequences



A.B. Joy, **Whistleblower**, Bay Tree Publish, CA, 2010.



AMY BLOCK JOY, Ph.D.
Faculty & Author | University of California Davis

Investigation: Initial Outcomes

- Federal Agents Supervise
- Evidence Collected
- Warrant Served
- Equipment Found
- Employee Resigns

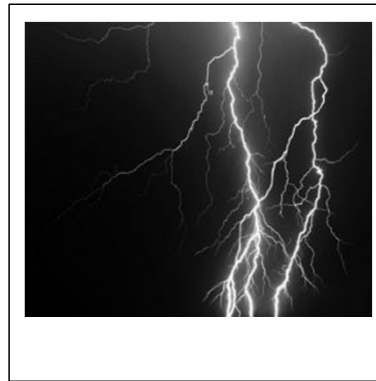


AMY BLOCK JOY, Ph.D.
Faculty & Author | University of California Davis

Retaliation!

Deception & Betrayal

- Intimidation
- Harassment
- Malicious gossip
- Threats



Sources: C.F. Alford, **Whistleblower: Broken Lives and Organizational Power**, Cornell University Press, NY, 2001.

A.B. Joy, **Whistleblower**, Bay Tree Publish, CA, 2010.

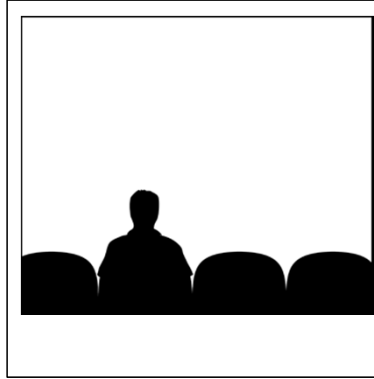
A.S. Kesselheim, D.M. Studdert, M.M. Mello. **Whistle-Blowers' experiences in fraud litigation against pharmaceutical companies**, NEngJMed 362:1832-1838, May 13, 2010.



AMY BLOCK JOY, Ph.D.
Faculty & Author | University of California Davis

Consequences

- Isolation & Fear
- Job Loss or Demotion
- Career Risk
- Reputation Risk
- Health Concerns
- Financial Consequences



Sources: C.F. Alford, **Whistleblower: Broken Lives and Organizational Power**, Cornell University Press, NY, 2001.

A.B. Joy, **Whistleblower**, Bay Tree Publish, CA, 2010.

A.S. Kesselheim, D.M. Studdert, M.M. Mello. **Whistle-Blowers' experiences in fraud litigation against pharmaceutical companies**, NEngJMed 362:1832-1838, May 13, 2010.



AMY BLOCK JOY, Ph.D.
Faculty & Author | University of California Davis

Turning Point

Advice from Daniel Ellsberg, a
Famous Whistleblower

- Consequences of Truth Telling
- Issues of Moral Courage
- Steps to Healing



Daniel Ellsberg, **Secrets: A Memoir of Vietnam and the Pentagon Papers**, (New York: Viking Penguin, 2002).



AMY BLOCK JOY, Ph.D.
Faculty & Author | University of California Davis

\$2.3 Million Fraud

Final Amount Returned to Federal Agency

- Four Years of Investigations
- Embezzlement
- Travel Fraud
- Misappropriation



AMY BLOCK JOY, Ph.D.
Faculty & Author | University of California Davis

Whistleblower's Credo

“ In theory, anyone who speaks out in the name of the public good within an organization is a whistleblower. ”





AMY BLOCK JOY, Ph.D.
Faculty & Author | University of California Davis

Responsibility

Who is Responsible?

- Institution?
- Employees?
- How can employees be held responsible if they are not educated in the institutes expectations?



AMY BLOCK JOY, Ph.D.
Faculty & Author | University of California Davis

Warning Signs

If someone tells you...

- "Well, maybe just this once..."
- "No one will ever know.."
- "It doesn't matter how it gets done as long as it gets done."
- "It sounds too good to be true."
- "Everyone does it."
- "Shred the document."
- "We can hide it."
- "No one will get hurt."
- "We didn't have this conversation."





AMY BLOCK JOY, Ph.D.
Faculty & Author | University of California Davis

Whistleblowing Benefits

- Stopping Fraud Saves \$\$
- Faith in the Justice System
- Concern for Public Safety
- Faith in Institution
- Ethical Standards



AMY BLOCK JOY, Ph.D.
Faculty & Author | University of California Davis

Whistleblowing Is Effective!

- The workforce is a powerful ally
- Encourage comfort in raising issues
- Protection is essential
- Credibility: respond quickly!
- Marketing—post statistics!



Source: N. Baker, "**See no evil, hear no evil, speak no evil**: Effective whistleblower programs encourage employees who witness company wrongdoing to speak out rather than look the other way," Internal Auditor, April 2008.



AMY BLOCK JOY, Ph.D.
Faculty & Author | University of California Davis

Institutional Response

Media Issues

- Institution in the Limelight
- Public's Reaction to Fraud
- Transparency Concerns



AMY BLOCK JOY, Ph.D.
Faculty & Author | University of California Davis

Thank you!

abjoy@ucdavis.edu

Acknowledgements: Power Point Presentation by Computer Courage, Berkeley, CA.
www.computercourage.com. Template inspired by "Clean White Keynote Presentation" by graphicriver