

**ASAE & The Center Executive Management Section  
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**The Case of the Angry Whistle Blower  
By Gary Davis, Janice Dahl, and William Reardon**

Gus Davis was beside himself. As the human resources director of the National Fudge Producers Association (NFPA), Gus had persuaded his executive director to hire a company called Screeno to receive and process ethics complaints against NFPA employees.

Screeno's first report told the NFPA executive director that the association's chief financial officer had used NFPA's copy machine to prepare booklets for his high school reunion. The CFO should have known that his actions were against association policy because everyone hired by NFPA is told on the first day of employment that personal use of NFPA equipment is forbidden.

After being confronted by his boss for his violation of NFPA policy, the CFO reasoned that person who reported him must have been NFPA's security officer, the only person whose work schedule would have provided an opportunity to observe the transgression. Bitter over the matter, the CFO and several of his friends at NFPA began to use every opportunity to make the security officer feel uncomfortable at work.

Yesterday the security officer resigned and today Gus learned that she is suing NFPA for one million dollars because of the harassment she has suffered for simply doing her job.

**Did Gus do something wrong? Has he let NFPA down? What could have averted the problem?**

*In her comments below, ASAE & The Center Ethics Committee member Janice Dahl sorts out this case:*

Gus did the right thing by introducing a method to protect whistle blowers. Screeno did what it promised to do: Give whistle blowers the protection to which they are legally and ethically entitled. The new screening process was *not* the cause of the problem. Rather the fault is with NFPA's policies and procedures. They failed to protect the innocent.

Association policies on ethics complaints should require that each complaint be properly verified and that the confidentiality of the complainant be maintained.

The association's policies should also require that when people notified that an ethics complaint has been filed against them, they also must be notified that they are barred from retaliating against anyone involved in the complaint process. These notifications should be recorded through use of a document signed by the subject of the complaint.

Because most association executives have heard of the importance of whistle blower policies, NFPA should have had policies and procedures to protect the security officer from harassment. Equally important, there should have been a process under which the security officer could have sought protection from the harassment of the CFO and other employees. Not only does such a process protect an association from a lawsuit, it is the responsible thing to do.

*ASAE & The Center Ethics Committee member William Reardon offers another perspective on the case:*

The case involves both ethical and legal issues. Ethically, Gus should ask the CFO, "What would your mother say? You seem to have taken a spiteful action, motivated by revenge and anger. Your anger is with a subordinate who did exactly what this firm hired her to do—enforce company policy."

As the association's human resources director, Gus should know the law. Aside from the recent Sarbanes-Oxley requirement that nonprofit organizations offer whistle blower protection, there are clear and long-standing laws about workplace harassment. They seem to apply to this case. The CFO created a hostile work environment that caused the security officer to resign. Harassment is not just sexual; the law covers all acts that create a hostile environment.

Clearly, the association will have to review its harassment policy. Under its terms, the CFO probably will be sanctioned. He may even lose his job owing to this incident. Harassment laws are created because some people seem to lack a moral compass. If the CFO had acted ethically, the law would not be in play.

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**Editor's Note:** *What is your reaction to this case? Have you heard about the new third-party companies that handle whistle blower complaints? Do you agree that any association that encourages whistle blowing ought to have policies and procedures to protect the whistle blower? Would we have fewer laws if everyone had a reliable "moral compass?" Send your responses to Gary Davis, ASAE & The Center Ethics Committee Immediate Past Chair. Email address: [gwdavis@insightbb.com](mailto:gwdavis@insightbb.com)*