

A DIRECTOR'S MONOGRAPH

R

BLOWING THE WHISTLE IN THE FEDERAL GOVERNMENT:

A Comparative Analysis of 1980
and 1983 Survey Findings



October 1984

**A REPORT OF THE U.S. MERIT SYSTEMS PROTECTION BOARD
OFFICE OF MERIT SYSTEMS REVIEW AND STUDIES**

MERIT PRINCIPLES GOVERNING THE FEDERAL PERSONNEL SYSTEM

The Civil Service Reform Act (Pub. L. No. 95-454, 92 Stat. 111 (1978)) requires that Federal personnel management be implemented consistent with the following merit principles:

(1) Recruitment should be from qualified individuals from appropriate sources in an endeavor to achieve a work force from all segments of society, and selection and advancement should be determined solely on the basis of relative ability, knowledge, and skills, after fair and open competition which assures that all receive equal opportunity.

(2) All employees and applicants for employment should receive fair and equitable treatment in all aspects of personnel management without regard to political affiliation, race, color, religion, national origin, sex, marital status, age, or handicapping condition, and with proper regard for their privacy and constitutional rights.

(3) Equal pay should be provided for work of equal value, with appropriate consideration of both national and local rates paid by employers in the private sector, and appropriate incentives and recognition should be provided for excellence in performance.

(4) All employees should maintain high standards of integrity, conduct, and concern for the public interest.

(5) The Federal work force should be used efficiently and effectively.

(6) Employees should be retained on the basis of the adequacy of their performance, inadequate performance should be corrected, and employees should be separated who cannot or will not improve their performance to meet required standards.

(7) Employees should be provided effective education and training in cases in which such education and training would result in better organizational and individual performance.

(8) Employees should be --

(a) protected against arbitrary action, personal favoritism, or coercion for partisan political purposes, and

(b) prohibited from using their official authority or influence for the purpose of interfering with or affecting the result of an election or a nomination for election.

(9) Employees should be protected against reprisal for the lawful disclosure of information which the employees reasonably believe evidences --

(a) a violation of any law, rule, or regulation, or

(b) mismanagement, a gross waste of funds, an abuse of authority, or a substantial and specific danger to public health or safety.

It is a prohibited personnel practice to take or fail to take any personnel action when taking or failing to take the action results in the violation of any law, rule or regulation implementing or directly concerning these merit principles.

The Merit Systems Protection Board is directed by law to conduct special studies of the civil service and other Federal merit systems to determine whether these statutory mandates are being met, and to report to the Congress and the President on whether the public interest in a civil service free of prohibited personnel practices is being adequately protected.

These studies, of which this report is one, are conducted by the Office of Merit Systems Review and Studies.

BLOWING THE WHISTLE IN THE FEDERAL GOVERNMENT:

**A Comparative Analysis of 1980
and 1983 Survey Findings**



**A REPORT OF THE U.S. MERIT SYSTEMS PROTECTION BOARD
OFFICE OF MERIT SYSTEMS REVIEW AND STUDIES**

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Sirs:

In accordance with our responsibilities under section 202(a) of the Civil Service Reform Act of 1978 (5 U.S.C. 1209(a)(3)), it is my honor to submit this report from the U.S. Merit Systems Protection Board (MSPB) entitled, "Blowing the Whistle in the Federal Government: A Comparative Analysis of 1980 and 1983 Survey Findings."

This report conveys results of a 1983 survey of Federal employees regarding their knowledge of fraud, waste, and abuse affecting their agencies and whether they were able to report such activities free from reprisal. The report also compares these results with similar data gained in a 1980 MSPB survey. It reveals that in 1983 there was a significantly lower percentage of Federal employees who claimed to have knowledge of illegal or wasteful activities. For those who did claim to have such knowledge, however, there was no measurable progress made in either increasing their willingness to report such activities or in shielding those who did report from reprisal.

I think you will find this report relevant to current concerns about this aspect of the Federal civil service system.

Respectfully,

Herbert E. Ellingwood

The President of the United States
The President of the Senate
The Speaker of the House of
Representatives

Washington, DC

PREFACE

This monograph is the second report on the subject of "whistleblowing" within the Federal Government issued by the Office of Merit Systems Review and Studies (MSRS) within the U.S. Merit Systems Protection Board. It marks an important milestone in our understanding of a sensitive and frequently misunderstood phenomenon. A milestone, because for the first time, we have longitudinal data available that tracks over time Federal employee attitudes and self-reported experiences relative to the issue of employee disclosure of information about illegal or wasteful activities.

The Board first became interested in this area because of our statutory responsibility to monitor the "health" of the merit system and to report to Congress and the President on whether the public's interest in a system "free of prohibited personnel practices" is being maintained. This responsibility is embodied in the Civil Service Reform Act of 1978 (CSRA). A review of the legislative history of the CSRA makes it clear that Congress had a particular interest in the then newly legislated protection from reprisal for those employees who "blew the whistle" on fraud, waste, or abuse affecting the Federal Government.

A first-of-its-kind survey conducted by the Board in 1980 on the subject of reprisal and involving 13,000 Federal employees in 15 major Federal departments and agencies provided some valuable and also disturbing information. The results of that first survey are recapped in this monograph. By mid-1983, however, there had been a number of significant changes which had occurred within the nation and the Federal Government. The Federal establishment had also logged in an additional 2 1/2 years of experience under the "whistleblower protections" of the CSRA. It was time to see if these changes had made any measurable impact on employee attitudes and experiences.

In the spring of 1983, therefore, it was decided that the Board's Office of Merit Systems Review and Studies would include several follow-up questions on this subject in a "Merit Principles Survey" under development at that time. This monograph details the result of that effort and attempts to put into perspective the significance of our findings. As in our first study, there are some pleasant surprises as well as some disappointments.

As in any of the projects undertaken by the Office of Merit Systems Review and Studies, almost all of the MSRS staff became involved to some degree in the successful accomplishment of the study. Several members of the staff, however, deserve special recognition. Frank Lancione, as project manager for the 1983 "Merit Principles Survey," reconfigured the key questions from the original 1980 reprisal survey to fit the more limited space requirements of the multi-subject 1983 study. Valencia Campbell, as the primary analyst for both the first survey and the "whistleblowing" aspects of the second survey, took the raw data from the second survey,

organized it, and made some sense out of it. Elaine Latimer provided key technical assistance to the report by assisting in the data analysis especially in terms of its graphic presentation. Invaluable logistical support in typing, editing, and processing the various drafts of the monograph was also provided by Cora Gibson and Barbara Powell. Finally, John Palguta, who had served as overall project manager for the Board's first study, was instrumental through both personal effort and supervisory oversight in pulling the pieces together into the monograph seen here.

This report should provide valuable insight into a complex area of human enterprise for both those who make policy and those who influence policy, and for managers, supervisors, and employees concerned about increasing the effectiveness and efficiency of the Federal Government through greater constructive involvement of employees in organizational problem identification and resolution, including the problems of fraud, waste, and abuse.

Dennis L. Little
Director, Office of Merit Systems
Review and Studies

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CHAPTER 1: INTRODUCTION AND OVERVIEW

A. INTRODUCTION

Federal employees or private citizens who wish to report incidents of illegal or wasteful activities are not only encouraged to do so but will be guaranteed confidentiality and protected against reprisals.

The vital element in any program designed to fight fraud and waste is the willingness of employees to come forward when they see this sort of activity. They must be assured that when they 'blow the whistle' they will be protected and their information properly investigated.¹

It has been almost 3 years since the Merit Systems Protection Board (MSPB) issued its report on the findings of a first-of-its-kind "whistleblowing survey" of Federal employees within 15 major Federal departments and agencies.² That study assessed the extent of employee awareness of recent illegal or wasteful activities. It also examined what knowledgeable employees did (or failed to do) with the information they possessed and what, if anything, resulted. The study was conducted in December 1980 by the Board's Office of Merit Systems Review and Studies (MSRS).

The basic purpose of the Board's 1980 survey was to determine if there were any systemic patterns of abuse occurring within the selected Federal departments and agencies in the form of reprisal for the disclosure of illegal or wasteful activities. The survey was undertaken as partial fulfillment of the Board's statutory responsibility to monitor the "health" of the federal merit system through the conduct of special studies.³

¹ Partial text of a statement issued by President Ronald Reagan on April 16, 1981, in response to a preliminary report by the U.S. Merit Systems Protection Board on April 15, 1981, entitled Do Federal Employees Face Reprisal for Reporting Fraud, Waste, or Mismanagement?

² Whistleblowing and the Federal Employee: Blowing the Whistle on Fraud, Waste, and Mismanagement - Who Does It and What Happens, U.S. Merit Systems Protection Board, Washington, D.C., 1981.

³ 5 U.S.C. Section 1205(a)(3).

Three years later, in early 1983, the Board decided to explore what, if anything, had happened in this area since 1980. Had things improved, stayed about the same, or deteriorated? To provide some answers to these questions, the Board conducted a Governmentwide "Merit Principles Survey" which asked selected Federal employees for their opinions and experiences relative to several key aspects of the civil service system. A major section of that survey was devoted to a series of questions very similar to those in the 1980 "whistleblowing survey."⁴

In this monograph the MSRS study team recaps some of the key findings from the Board's 1980 study and compares and contrasts them with relevant findings from its 1983 survey. As will be seen, the results of the two surveys, with one major exception, are remarkably similar. The study team also separately details additional findings from the 1983 survey for which there is no 1980 counterpart.

B. BACKGROUND

The Civil Service Reform Act of 1978 (CSRA) (Public Law 95-454), for the first time in the 100-year history of the Federal civil service system, provides specific statutory protections for Federal employees who "blow the whistle" on fraud, waste, and mismanagement within the Federal Government.⁵ The Act prohibits the taking of reprisal against any Federal employee for the legitimate disclosure of various broad categories of information. It also provides for the possibility of legal sanctions against Federal officials found guilty of violating those prohibitions.⁶ In the language of the Act, it is considered a prohibited personnel practice to:

take or fail to take a personnel action with respect to an employee . . . as a reprisal for -

a disclosure of information by an employee . . . which the employee . . . reasonably believes evidences -

(i) a violation of any law, rule, or regulation, or

(ii) mismanagement, a gross waste of funds, an abuse of authority, or a substantial and specific danger to public health or safety⁷

⁴ It should be noted that the Civil Service Reform Act does not use the term "whistleblowing" or "whistleblower," per se. A definition for the latter term, however, is contained in 5 CFR Section 1250.3(c)(1983) and is drawn from the language of the Act.

⁵ 5 U.S.C. Section 2302(b)(8).

⁶ 5 U.S.C. Section 1207(b).

⁷ See Note 4.

According to Alan Campbell, one of the architects of the CSRA, the Act's "whistleblowing protections" were intended to "foster Government efficiency by bringing problems to the attention of officials who could solve them."⁸ Moreover, it was hoped that the specter of disciplinary actions against violators of the statutory prohibitions against reprisal⁹ would serve to motivate Federal officials to deal constructively with the problems raised.

A major Board objective in its 1980 study and in this study is to assist the Congress and the President in determining whether or not Congressional intent is being realized. For example, do the protections against reprisal contained in the CSRA encourage Federal employees to come forward with information about illegal or wasteful activities? If employees do come forward and are identified, do they experience any adverse consequences? The Board's interest in this area stems from its responsibility to report to Congress and the President as to whether the "public interest in a civil service free of prohibited personnel practices is being adequately protected."¹⁰

What the Board found through its 1980 study was that almost half (45%) of the 8,500 Federal employees responding to the survey claimed that they had observed one or more illegal or wasteful activities during the previous 12 months. An overwhelming 70 percent of the 1980 respondents who claimed direct knowledge of some type of fraud, waste, or abuse also said that they did not report the activity to any individual or group.

Among those employees who did not report an observed activity, most (53%) cited as a reason their belief that nothing would be done to correct the activity even if reported. A smaller percentage (19%) cited fear of reprisal as a reason for not reporting. Finally, for those employees who did report an activity and who were identified as the source of the report, approximately one out of every five (20%) claimed they suffered some type of reprisal or threat of reprisal as a result. In short, the study team did not find any reason to conclude that the stated intentions and objectives of Congress and the Administration were being fully realized.

By 1983, a number of significant events (including a change of Administration) had occurred since the Board's 1980 "whistleblowing survey," and it was decided that MSPB's 1983 "Merit Principles Survey" would also include a section devoted to a partial replication of the 1980 study. This would allow the Board to determine whether the relevant opinions or experiences of Federal employees had changed significantly over a 2 1/2-year period. This report is devoted to an examination of the results of that 1983 follow-up and how it compares and contrasts with the 1980 findings.

⁸ Testimony of Alan K. Campbell, Director of the Office of Personnel Management, before the Subcommittee on Post Office and Civil Service, House of Representatives, March 12, 1980.

⁹ 5 U.S.C. Section 1207(b).

¹⁰ See Note 3.

C. STUDY DESIGN

The Board's 1980 "whistleblowing survey" was conducted through the administration of a questionnaire developed in cooperation with the Offices of Inspector General (OIG) in 15 major Federal departments and agencies.¹¹ The questionnaire was distributed in December 1980 to approximately 13,078 randomly selected individuals employed by the 15 covered agencies. The sample drawn from each agency, in effect, was a mirror image of the total population within that agency. The questionnaire was completed and returned by 8,592 employees resulting in a 65.7 percent response rate. A more detailed discussion of the 1980 survey methodology including a discussion of the sampling and verification procedures is contained in Appendix B to this report. A copy of the 1980 questionnaire is contained in Appendix D.

The 1983 "Merit Principles Survey," by contrast, was mailed to approximately 7,563 randomly selected employees throughout the entire executive branch of the Federal Government. The questionnaire was completed and returned by 4,897 of those employees which gave the Board a 64.7 percent response rate. The sample was disproportionately stratified in that employees in the senior executive service and at the GS-13 through GS-15 grade levels were more heavily sampled than the rest of the Federal employee population. A more detailed discussion of the 1983 survey methodology is contained in Appendix A to this report. A copy of the relevant portions of the 1983 questionnaire is contained in Appendix C.

Comparisons are made throughout this report between the findings from the 1980 and 1983 studies. Great care was exercised in making these comparisons since, as noted in Appendixes A and B, there are several important methodological differences between the two surveys. For example, since there were only 14 major Federal agencies surveyed in both 1980 and 1983, one convention adopted throughout this report is to limit any direct comparisons between the two surveys to these 14 agencies.¹²

Where 1983 survey data is discussed without any direct comparison to 1980 data, and unless otherwise noted, it refers to the combined responses of all respondents throughout the executive branch who answered the particular

¹¹ Agencies covered were the Departments of Agriculture, Commerce, Energy, Health and Human Services, Education, Housing and Urban Development, Interior, Labor, Transportation, and the Community Services Administration, Environmental Protection Agency, General Services Administration, National Aeronautics and Space Administration, Small Business Administration, and the Veterans Administration.

¹² These are the same agencies listed in footnote 11 of this chapter with the exception of the Community Services Administration which was abolished in 1981.

question under discussion. Throughout this report, we have also attempted to make these distinctions clear through appropriate notations in the tables, graphs, and narrative.

D. STUDY OVERVIEW AND SIGNIFICANT FINDINGS

Chapter 2: What Federal Employees Say They Know About Fraud, Waste, and Abuse

To determine whether Congressional intent was being realized, i.e., whether Federal employees were being encouraged to report instances of fraud, waste, and abuse, the Board sought to determine how many employees possessed relevant knowledge in the first place. This chapter examines the results of that inquiry.

In the Board's 1980 study, the surprising fact that approximately 45 percent of the employees surveyed claimed to have observed one or more instances of recent illegal or wasteful activity gained national attention. The Board's 1983 study, by contrast, reveals that the percentage of surveyed employees who now claim recent knowledge of fraud, waste, or abuse has declined dramatically to 25 percent or almost one-half of what the 1980 survey respondents claimed. Chapter 2 of this report explores some of the possible reasons for this result.

In both surveys, the perceived waste of Federal funds caused by badly managed Federal programs was the activity most often observed by respondents and also the most serious in terms of the dollar value involved. Overall, however, there was a slight decline between 1980 and 1983 (from 52% to 47%) in the percentage of respondents who estimated that the activity they observed involved more than \$1,000 in Federal funds or property.

Chapter 3: What Federal Employees Do With Information About Illegal or Wasteful Activities and Why

Having ascertained the relative numbers of employees who believed they had personal knowledge of some type of fraud, waste, or abuse, the next logical step was to determine what these knowledgeable employees did with that information. What the Board found was that in 1980 an overwhelming 70 percent of the respondents who claimed direct knowledge of an illegal or wasteful activity said they did not report the activity to any individual or group. The results of the 1983 survey were almost identical—although the base was considerably smaller—in that 69 percent of the knowledgeable respondents from the same agencies gave the same response.

This finding demonstrates that even though the CSRA "whistleblower protections" had been in effect during the 2 1/2-year period between surveys, no measurable progress has been made in overcoming Federal employee resistance to the idea that they should report instances of fraud, waste, and abuse.

Employees who had observed wrongdoing and who chose not to report it were asked why they did not report the activity. In both surveys, the most frequently cited (selected by over half or 53% of the knowledgeable respondents in both surveys) reason given for not reporting an activity was the belief that nothing would be done to correct the activity even if reported. Fear of

reprisal, while clearly a secondary consideration, was still a significant reason for not reporting an illegal or wasteful activity. Its statistical significance, in fact, seems to be increasing. In 1980, 20 percent of the nonreporters gave fear of reprisal as one of their reasons for not reporting. In 1983, this percentage had almost doubled to 37 percent. These and related findings are discussed in greater detail in Chapter 3.

Chapter 4: What Happens to Federal Employees Who Report Illegal or Wasteful Activities.

The Board's 1983 survey revealed that Federal employees who did report an illegal or wasteful activity were significantly more inclined to report it anonymously than were respondents to the 1980 survey. More than two out of every five (41%) of the 1983 respondents who reported an observed activity said that they were not identified as the source of the report. In 1980, only 24 percent of those who reported an activity were not identified. This increase in the relative percentage of reporters who seek to remain anonymous bears a positive correlation to the increase in the percentage of nonreporters who gave fear of reprisal as a reason for not reporting an activity.

For those employees who reported an activity and who were identified as the source of the report, the most frequently reported personal consequence was that "nothing happened" to them. Forty-six percent of the 1983 respondents in this category and 55 percent of the similarly situated 1980 respondents said this was the case.

In 1983, the percentage of employees who claimed they were the victims of reprisal or the threat of reprisal as a result of having reported an illegal or wasteful activity was still significant, rising slightly from 20 percent in 1980 to 23 percent in 1983. These and other related findings are discussed in Chapter 4.

E. CONCLUDING OBSERVATIONS

A comparison of the Board's 1980 and 1983 survey findings relative to the issues associated with "whistleblowing" and reprisal provides cause for both optimism and concern.

The reason for cautious optimism in the Board's 1983 survey findings is that, compared to the Board's 1980 survey results, a significantly smaller percentage of Federal employees in 1983 claimed to have recent firsthand knowledge of the existence of fraud, waste, and abuse. This is considered a positive finding based on the assumption that, to some degree, there is a positive correlation between the percentage of employees who claim knowledge of illegal or wasteful activities and the actual incidence of such activities. In other words, the decrease in the percentage of employees who claim recent knowledge of fraud, waste, and abuse provides a possible indication that the actual incidence of such activities has decreased.

The reason for concern relative to the Board's latest survey findings is that although there were fewer employees surveyed in 1983 in terms of actual numbers, there has been no discernible progress made since 1980 in the relative willingness of Federal employees to report fraud, waste, and abuse

when they do observe it. In addition, the Board is concerned about the significant increase in the percentage of employees who now give fear of reprisal as a reason for not reporting an illegal or wasteful activity. This concern is augmented by the finding that the percentage of employees who did report an activity and who also claimed they suffered some type of reprisal as a result remains above 20 percent.

The Board's findings should not be interpreted as an indication that the CSRA protections against reprisal have not served or do not serve a useful purpose. Quite the contrary is true. A review of the literature will uncover any number of blatant situations that have occurred in both the private and public sectors and which involved unjust reprisals against employees who disclosed individual or organizational wrongdoing.¹³ Such injustices, when they occur, demand the availability of a remedy under law. How well the current legal protections against reprisal provided in the CSRA have served their intended purpose on an individual case basis, however, is not an issue properly addressed through a questionnaire survey.

What the Board's findings can and do illustrate, however, is that the CSRA "whistleblower protections," by themselves, have not met all the stated expectations of Congress. As indicated, for example, there is no evidence that the protections have had any type of ameliorative effect on employee expectations or experiences relative to reprisal. The findings also do not provide any evidence of impact--positive or negative--on the proportion of Federal employees willing to report instances of fraud, waste, and abuse.

What the survey findings also suggest is the possibility that the legal protections currently available to Federal "whistleblowers" may be incapable, by themselves, of accomplishing all that Congress had hoped or expected. If that is the case, the protections alone will not result in any lessening of the "fear factor" associated with the potential for (or experience of) reprisal. In like manner, if that is the case, the protections alone will not result in greater numbers of employees becoming involved in the identification or resolution of fraud, waste, and abuse. There is some evidence that this may be the situation in the private sector based on experiences within those states which have incorporated some type of antireprisal protection into state law.¹⁴

¹³ See, for example: Whistle-Blowing! Loyalty and Dissent in the Corporation, Alan F. Westin, New York, McGraw-Hill Book Co., 1981; Divided Loyalties: Whistle-Blowing at BART, Robert M. Anderson, et al., West Lafayette, Ind., Purdue Research Foundation, 1980; and Truth . . . and Consequences: Seven Who Would Not Be Silenced, Greg Mitchell, New York, Dember Books, 1982.

¹⁴ For example, in a recent paper on this subject titled The Role of the Law in Protecting Scientific and Technical Dissent and presented at the American Association for the Advancement of Science Annual Meeting in May 1984, Alfred G. Feliu, Esquire, writes "A review of the leading cases in the area, keeping in mind the scope of the protection offered and the strengths and weaknesses of this type of anti-reprisal legislation, leads to the conclusion that, despite recent developments, the law by its nature and by the nature of the problem is an inadequate tool for protecting scientific and technical dissent in the corporation and for fostering a workplace in which the expression of unorthodox or minority points of view are not only tolerated, but encouraged."

This does not mean, of course, that the Federal Government should forget about the goal of greater employee involvement in the identification of fraud, waste, or abuse. It should be remembered that even though the proportion of employees who claimed recent knowledge of such activity decreased significantly from 1980 to 1983, the Board found in 1983 that more than one out of every five employees (23%) Governmentwide still claimed that they had recent knowledge of some type of illegal or wasteful activity affecting their agency. Even if only a small percentage of these claims could be identified and substantiated, the potential benefits to the Government in terms of increased efficiency or effectiveness are tremendous.

F. RECOMMENDATIONS

The Board concluded in the final report of its 1980 study that "the problem of encouraging more employees to report wrongdoing and waste will not be solved by simple solutions applied uniformly across the entire Federal Government" and, therefore, "there is little likelihood of this Board or any organization dictating a universal panacea which will overcome the vast sea of employee skepticism."¹⁵

Nothing in the Board's 1983 findings changes the underlying premise of that 1980 conclusion. That premise, simply stated, is that "whistleblowing," regardless of how it is defined, is a complex phenomenon which involves some basic and difficult to influence aspects of human nature and organizational dynamics. This definitely does not mean, however, that it is in any way futile to attempt to bring about change. It does mean that any changes which do occur will most likely come about slowly and as the result of many interrelated events. In addition, any initiatives taken in this regard will need to be tailored to the individual needs of each agency and organization.

Within this context, the following recommendations are provided to assist in making those incremental changes in employee attitudes and actions which are amenable to direct management action.

- Given the limited impact that the current Federal "whistleblower protections" appear to have had relative to the encouragement of constructive employee involvement in identifying or resolving instances of fraud, waste, or abuse, Congress and the Administration should encourage Federal agency heads to develop or explore alternative or additional methods of achieving that goal.¹⁶

¹⁵ See Note 2.

¹⁶ To assist in this regard, the Office of Merit Systems Review and Studies within the Merit Systems Protection Board is in the final stages of a review of the major "management systems" currently in use throughout the executive branch that have, as one of their objectives, the involvement of employees in problem identification and resolution. An initial report from this study should be available by December 1984.

- Agency heads should periodically assure themselves that there is demonstrable agencywide commitment to a philosophy of open communication throughout all levels of the agency. In essence, each agency should be striving for the development of an "organizational climate" which makes constructive internal sharing of information, especially information about possible waste or inefficiency, the norm rather than the exception. Such a climate would be characterized by the following elements:
 - the active and periodic solicitation of employee viewpoints and knowledge regarding fraud, waste, and abuse;
 - the fair evaluation of employee-supplied information with timely feedback to the involved employees on the results of that evaluation;
 - consideration, during reviews of each manager's or supervisor's performance, of the actions they have taken to implement agency policy in this regard;
 - consideration, during reviews of each employee's performance, of the degree to which they have become constructively involved in identifying and resolving problems related to fraud, waste, and abuse;
 - positive and widely publicized recognition of employee contributions to the reduction of illegal or wasteful activities.
- Agency heads should also provide assurance that there will be a prompt and thorough investigation of any allegations or indications of possible reprisal against employees for the legitimate disclosure of information. Should reprisal be found to exist and be documented, of course, prompt corrective action must be taken and the results of that action well publicized to the extent possible.

CHAPTER 2: WHAT FEDERAL EMPLOYEES SAY THEY KNOW ABOUT FRAUD, WASTE, AND ABUSE

A. INTRODUCTION

This chapter analyzes employee responses to the question of whether they had personally observed or obtained direct evidence of some type of illegal or wasteful activity affecting their agency during the preceding 12 months. One of the Board's primary objectives for this study was to understand how reprisal and the fear of reprisal affect the willingness of employees to report fraud, waste, and mismanagement. In order to gain this understanding, however, the MSRS study team first needed to identify those employees who had personal knowledge of such an activity and who, therefore, had the potential to expose themselves to reprisal should they report it.

One of the major unexpected findings in the Board's 1980 survey was the number of Federal employees who claimed they had observed wrongdoing. Approximately 45 percent of all 1980 respondents claimed they had personally observed or obtained direct evidence of one or more of the ten listed activities within the preceding year. (The list of activities is contained in Question 15 in Appendix D.) As will be discussed in this chapter, the 1983 survey revealed a dramatic decline in the percentage of respondents who claimed similar knowledge. Those employees who did claim such knowledge in 1983, however, had perceptions remarkably similar to those of 1980 respondents concerning the most prevalent activities and their relative magnitude or seriousness.

Critical Questions

To assess whether employee perceptions of and alleged knowledge about fraud, waste, and mismanagement in the Federal Government had changed in the more than 2 1/2 years since our 1980 survey, the study team examined the following critical questions:

- What proportion of the Federal employee population claimed to have observed one or more illegal or wasteful activities in 1983?
- What differences exist among the agencies surveyed in 1983 relative to the percentage of employees who claimed relevant knowledge?
- Which activities did the 1983 respondents believe were the most serious?
- What was the magnitude of the activities observed by the 1983 respondents in terms of either cost or frequency?
- What are the differences, if any, between the findings of the 1980 and 1983 surveys regarding these critical questions?

Major Findings

With one significant exception, the study team found that the knowledge of illegal and wasteful activity claimed by Federal employees in 1983 was very similar to that claimed by Federal employees in 1980. The major findings in this area are discussed in the rest of this chapter. Based on our analysis, they can be summarized as follows:

- Taking as a group the 14 agencies surveyed in both 1980 and 1983, 25 percent of all the 1983 respondents from these agencies claimed knowledge of one or more illegal or wasteful activities. This is markedly lower than the 45 percent of respondents from the same agencies who claimed such knowledge in 1980. Finally, in 1983 and in the executive branch as a whole, only 23 percent of all respondents claimed personal knowledge of wrongdoing. (As noted earlier, the Board's 1980 survey was limited to a total of 15 Federal departments and agencies and, therefore, there is no 1980 data available relative to the executive branch as a whole.)
- In 1983, the percentage of employees claiming knowledge of an illegal or wasteful activity varied widely among agencies from as little as 9 percent in one agency to as much as 36 percent in another. This is consistent with the Board's 1980 survey which also found significant variance among agencies, but with a range from 33 percent to 62 percent among a comparable group of employees.
- In both 1980 and 1983, among those survey respondents who claimed knowledge of some type of illegal or wasteful activity, the activities most frequently selected as being the most serious were either waste caused by a badly managed program or waste caused by buying unnecessary or deficient goods or services. Combined, these two activities were identified as the most serious problems by 56 percent of the knowledgeable respondents in 1980 and by 53 percent in 1983.
- In 1983, 47 percent of the respondents from the 14 agencies surveyed in both 1980 and 1983 and who claimed knowledge of some type of wrongdoing also estimated that the observed activity involved more than \$1,000 in Federal funds or property. This is only slightly lower than the 52 percent of similarly situated employees who provided the same estimate in 1980. In the executive branch as a whole in 1983, 46 percent of all employees who observed an illegal or wasteful activity estimated that the cost involved was more than \$1,000.

B. FINDINGS

This section is organized under three subheadings: **How Many Federal Employees Claim Relevant Knowledge**, **Types of Activity Observed**, and **The Perceived Cost of Fraud, Waste, and Mismanagement**. The major findings summarized above are discussed in greater detail under the appropriate subheading along with relevant charts.

How Many Employees Claim Relevant Knowledge

In the Board's 1980 survey, employees were asked "Regardless of whether or not it is part of your job, during the last 12 months, have you personally observed or obtained direct evidence of any of the following activities?" Respondents were then given a list of ten different activities to consider, ranging from such specific activities as "employees stealing Federal funds" to more judgmental activities such as "waste of Federal funds caused by buying unnecessary or deficient goods or services." (See Appendix D for the complete list.) Almost half (45%) of the respondents in 1980 claimed that they had observed one or more of the listed activities in the previous 12 months.

In the Board's 1983 survey (see Appendix C), the same question was asked in a slightly different form, i.e., employees were asked "During the last 12 months, did you personally observe or obtain direct evidence of one or more illegal or wasteful activities involving your agency?" For those employees who answered yes, the next question provided the same list of activities contained in the 1980 survey and asked them to indicate which activity, in their opinion, represented the most serious problem. In both surveys, employees were cautioned not to answer yes to the first question if they only read about the activity in the newspaper or heard about it as a rumor.

In a major shift from the Board's 1980 findings, only 23 percent of all 1983 respondents claimed to have personally observed some type of illegal or wasteful activity during the preceding 12 months. Even when only the 1983 respondents from the 14 agencies originally surveyed were considered, only 25 percent of this more limited group claimed knowledge of wrongdoing.¹⁷ It would appear that fewer Federal employees observed fraud, waste, and mismanagement in 1983 than they did in 1980. Exactly why this might be so is beyond the scope of this particular study to ascertain.

The Board's 1983 survey also revealed that, as in 1980, the percentage of employees in each agency who claim knowledge of some type of wrongdoing varied widely. Chart 2-1 illustrates this variance and also contrasts 1983 responses with 1980 responses, where appropriate, on an agency-by-agency basis. It should be noted in examining the data displayed in Chart 2-1 that, because of the sample design for the 1983 study, when examining individual agency differences only responses from employees at the GS or GM-13 level and above are displayed.¹⁸ As demonstrated in Chart 2-2, however, this group of employees serves as a fairly reliable bellwether for the rest of the employee population. The Board's 1980 survey data which is also displayed in Chart 2-1 has been reconfigured to reflect a comparable population.

¹⁷ In comparing the 1980 and 1983 questionnaires, it is probable that the slightly different wording and formatting of several key questions along with a request for relatively more demographic, i.e., personal, information in the 1983 survey had some influence on the relative percentage of respondents who claimed recent knowledge of illegal or wasteful activities. However, given the magnitude of the difference in response rates on the one question—45 percent of all respondents claiming knowledge in 1980 versus only 25 percent of all respondents from the same agencies in 1983—and the much smaller difference in response rates between the two groups on most of the other questions, the study team concludes that it is unlikely that methodological differences alone account for the difference in response rates on this particular question.

¹⁸ The 1983 survey sample was designed to allow valid extrapolation to all grade levels for the entire population being studied, i.e., permanent civilian employees in the executive branch of the Federal Government. A greater percentage of individuals must be sampled as the size of the target population decreases. For example, whereas a 5 percent sample might be more than adequate for a population of 50,000 individuals, it may be wholly inadequate for a population of 500. For reasons of economy, in 1983, it was decided that individual agency differences would be explored only for employees at the GS or GM-13 level and above and, hence, employees at these grade levels were more heavily sampled than employees at the lower grade levels.

CHART 2-1

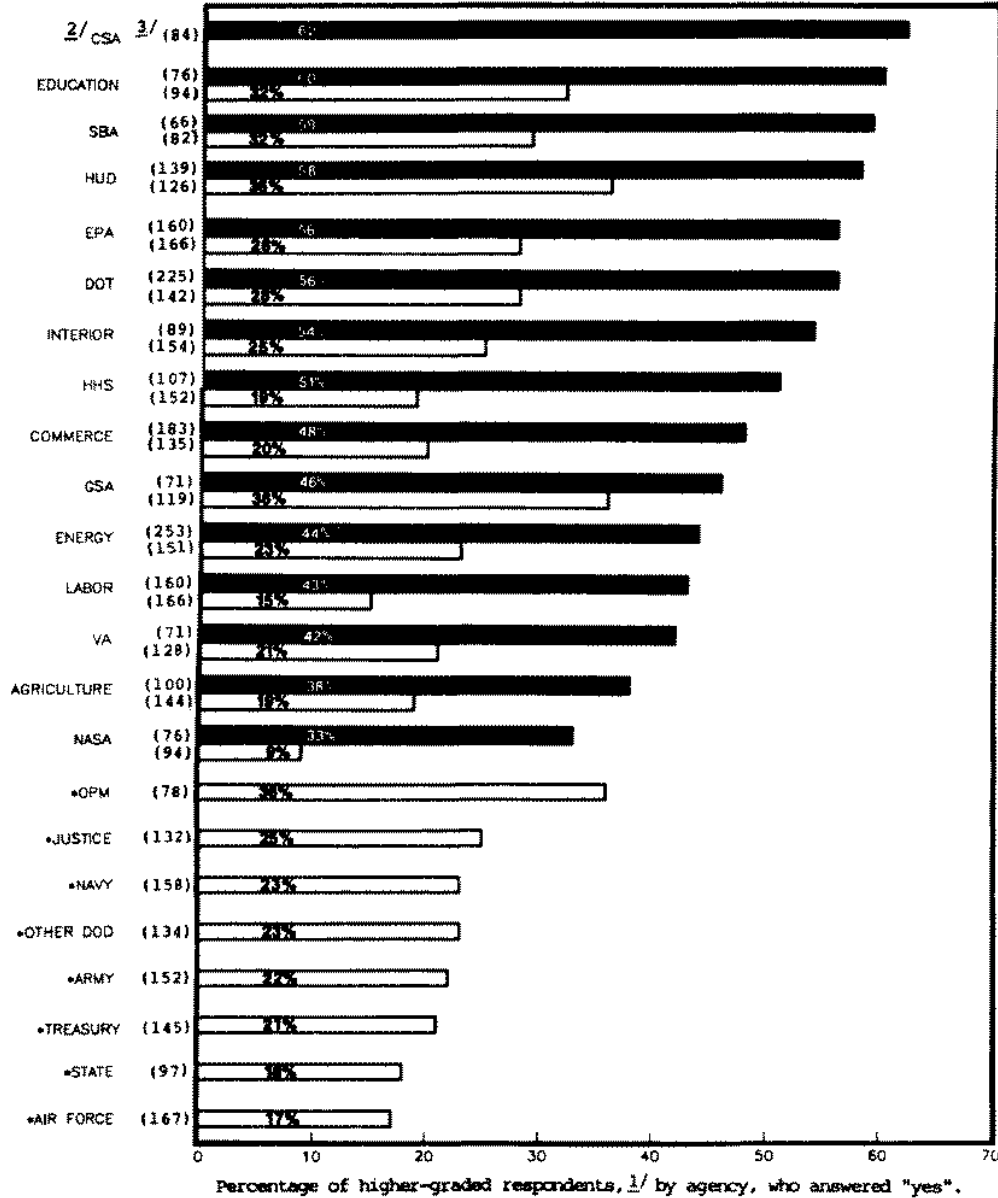
Percentage Of Higher-Graded Employees Who Observed Fraud, Waste or Mismanagement Ranked By Agency Affiliation

1980 Survey

1983 Survey

Question 15: Regardless of whether or not it is part of your job, during the last 12 months have you personally observed or obtained direct evidence of the following activity?

Question 14: During the last 12 months, did you personally observe or obtain direct evidence of one or more illegal or wasteful activities involving your agency?



^{1/} Respondents: Restricted to employees at the GS or GM level and above.

^{2/} The Community Services Administration was abolished in 1981.

^{3/} The numbers in parentheses refer to the total number of higher-graded respondents answering the question.

* These agencies were not included in the Board's 1980 Study.

CHART 2-2

Observed Activity by Pay Grade

1980
Survey

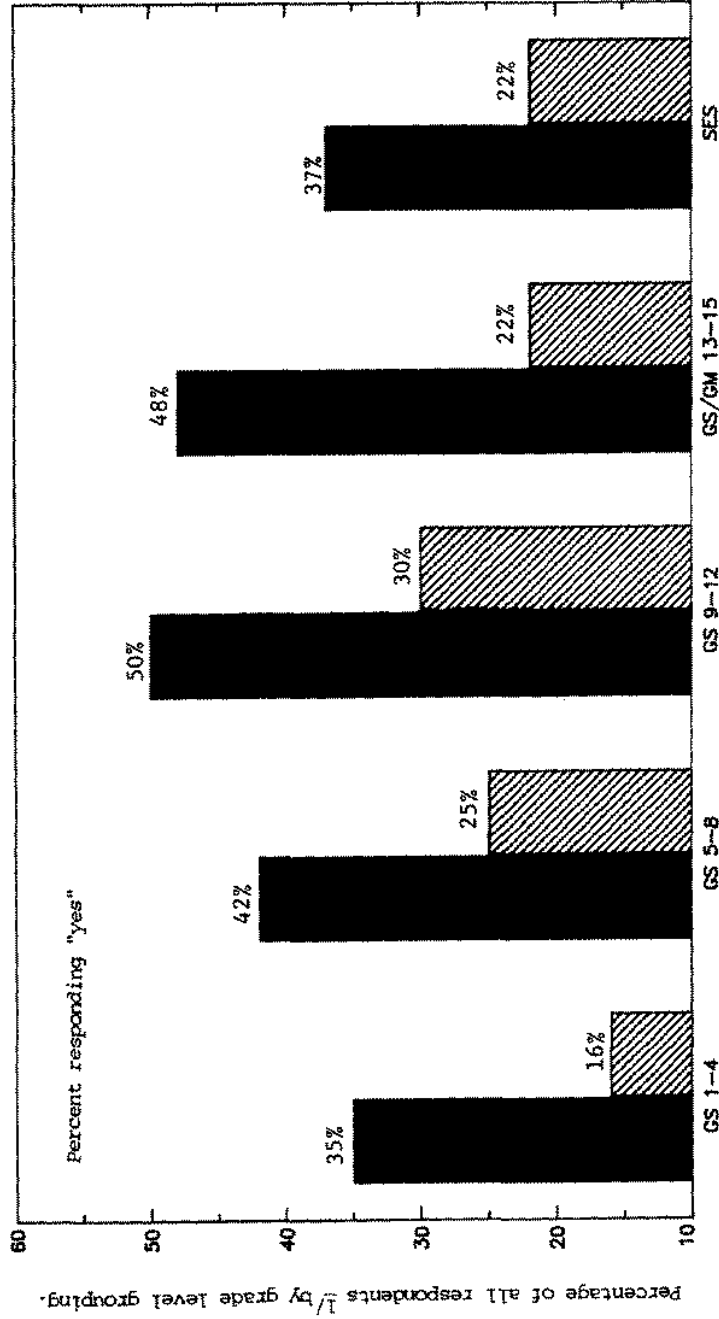


1983
Survey



Question 15: Regardless of whether or not it is part of your job, during the last 12 months have you personally observed or obtained direct evidence of the following activity?

Question 14: During the last 12 months, did you personally observe or obtain direct evidence of one or more illegal or wasteful activities involving your agency?



1/ Respondents: Restricted to employees within the 14 agencies surveyed in both 1980 and 1983.

Number of respondents: 7,271 for 1980 survey; 2,243 for 1983 survey.

All agencies surveyed in both 1980 and 1983 show a decline during those years in the percentage of employees who said they had recent knowledge of illegal and wasteful activities within their agency. With the exception of the General Services Administration, however, agencies with the highest percentages in 1980 also tend to have the higher percentages in 1983. GSA went from an average affirmative response rate in 1980 to one of the highest affirmative response rates in 1983.

A number of agencies not included in the 1980 survey, including the Department of Defense, were covered by the 1983 study. Because the Board lacks baseline data on these agencies, they are shown at the bottom of Chart 2-1. With the exception of the Office of Personnel Management (OPM), their employees' responses tend to be "average" on this particular question. A relatively high percentage of OPM employees, on the other hand, claimed knowledge of one or more illegal or wasteful activities.

Care should be exercised in interpreting the survey findings contained in Chart 2-1. What they tell us is that in every agency there is a significant percentage of employees who claim they have personally observed or obtained direct knowledge of some type of illegal or wasteful activity. Furthermore, in some agencies the percentage of employees who make this claim is higher than in others. It does not necessarily follow, however, that agencies with the highest percentage of employees who claim knowledge of fraud, waste, or abuse automatically have the highest actual incidence of wrongdoing. It is quite feasible, for example, that one particularly blatant example of wrongdoing may ultimately be observed by a number of agency employees while a greater number of similar activities in another agency may be simply less well known.

The reader is reminded that the focus of this study is on the relationship between the reporting of various activities and reprisal and not on fraud, waste, and abuse, per se.

A further analysis of all employees who claim direct knowledge of some type of illegal or wasteful activity also reveals that there is a correlation between an individual's grade level and the likelihood that he or she will have observed some type of illegal or wasteful activity. As shown in Chart 2-2, in both the 1980 and the 1983 survey, employees at the GS-9 through 12 grade levels were the most likely to claim knowledge of some type of wrongdoing followed closely by employees at the GS or GM-13 through 15 grade levels.

Employees at the lower end of the grade structure, i.e., the GS-1 through 4 grade levels, were the least likely to have observed fraud, waste, or mismanagement. The study team also found that in the 1983 survey men were more likely to have reported observing wrongdoing (29%) than women (20%).¹⁹

Types of Activity Observed

As in 1980, when asked to identify the most serious activity observed, respondents to the 1983 survey most frequently cited "waste caused by a badly managed program," "waste caused by unnecessary or deficient goods and services," and "stealing Federal property," in that order. Appendix E to this

¹⁹ Respondents to the 1980 survey were not asked to identify their sex.

report provides some more specific examples of the types of activities observed. These are excerpts from written comments attached to the 1983 survey by a number of respondents. Similar excerpts were contained in the Board's report of its 1980 survey.²⁰ Chart 2-3 shows the responses from all respondents to the 1983 survey who claimed knowledge of one or more illegal or wasteful activities and who were asked to indicate the most serious problem.

Chart 2-4 compares the 1980 and the 1983 responses from employees at the GS or GM-13 and above level within the same 14 Federal agencies relative to the three most frequently mentioned activities. Of interest in Chart 2-4 is the fact that in comparison to the 1980 respondents, respondents in 1983 were significantly more likely to identify "waste caused by a badly managed program" as the most serious problem and less likely to identify "waste caused by unnecessary or deficient goods or services."

The Perceived Cost of Fraud, Waste, and Mismanagement

In 1983, 47 percent of the respondents from the 14 agencies originally surveyed and who claimed knowledge of some type of fraud, waste, and mismanagement estimated that the most serious activity observed involved more than \$1,000 in Federal funds or property. This is only slightly lower than the 52 percent of similarly situated employees who provided the same estimate in 1980. Chart 2-5 shows the estimates of the dollar value involved in the most serious activity observed by all of the respondents to the 1983 survey who also claimed knowledge of some type of wrongdoing.

As can be seen, in the executive branch as a whole in 1983, 46 percent of all employees who observed an illegal or wasteful activity also estimated that it involved more than \$1,000 in Federal funds or property. In fact, 15 percent of these respondents placed the value of the observed activity at more than \$100,000. Some insight into how some of the respondents arrived at their estimates is provided by the following comments volunteered by two different respondents:

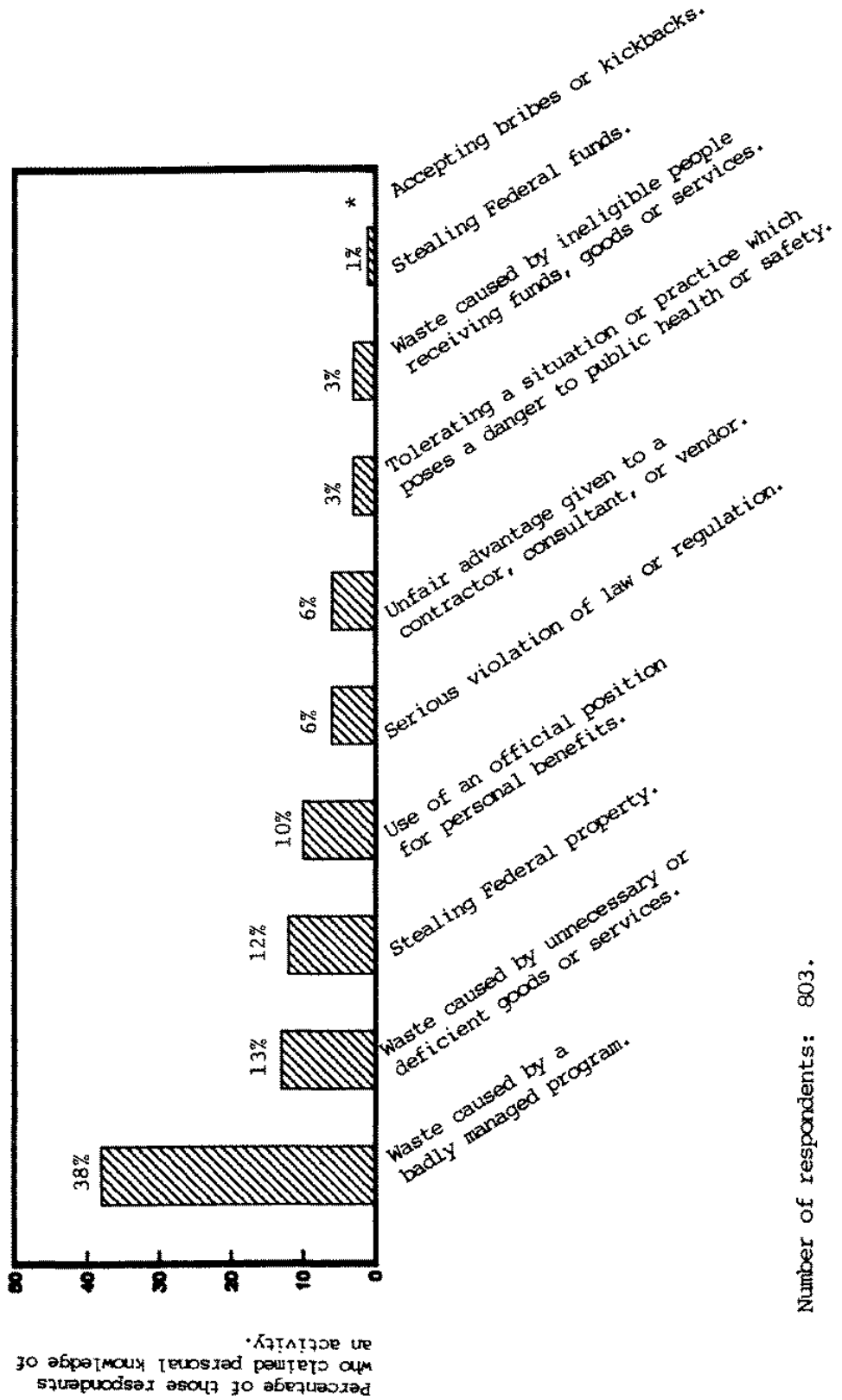
A contractor was paid to do work that could have been done in house with [the] skill mix of Federal employees. After the expenditure of approximately \$200,000 for contractor support, the contractor was unable to satisfactorily complete the work. [The] task was then completed by one government employee in a 3-month period (Grade GS-13), while simultaneously performing on-going work assignments.

* * * * *

²⁰ See Note 2.

CHART 2-3
Percent of Those Who Claimed Knowledge of an Activity
 (1983 Survey Results)

Question 15: If you said "yes" in question 14, please select the one activity that represents the most serious problem you know about and check the number of that activity below.



Number of respondents: 803.

* Less than 1 percent.

CHART 2-4

Types of Activities Most Frequently Selected

1980
Survey

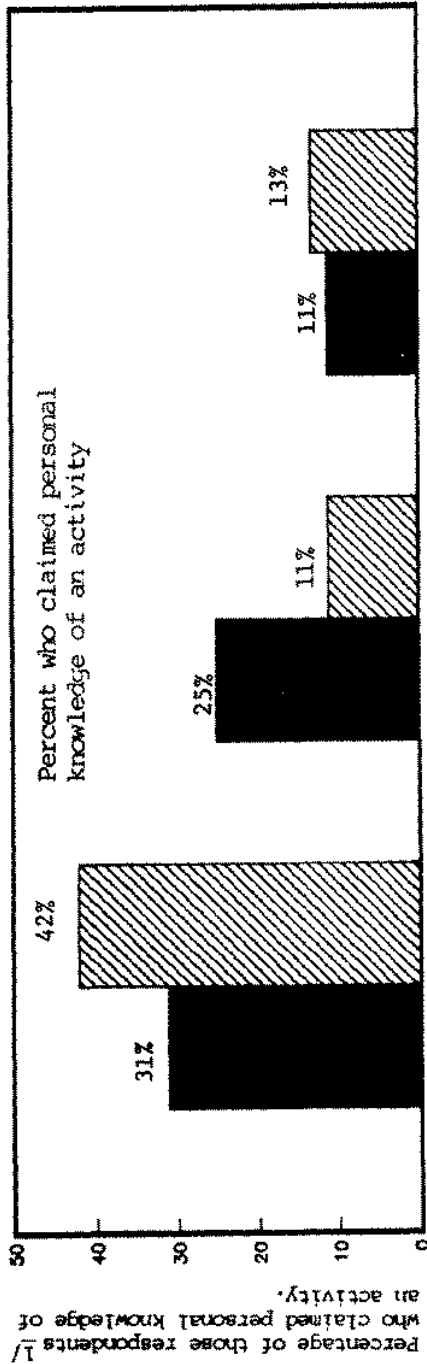


Question 15: Regardless of whether or not it is part of your job, during the last 12 months have you personally observed or obtained direct evidence of the following activity?

1983
Survey



Question 15: If you said "yes" in question 14, please select the one activity that represents the most serious problem you know about and check the number of that activity below.



Stealing Federal property.

Waste caused by unnecessary or deficient goods or services.

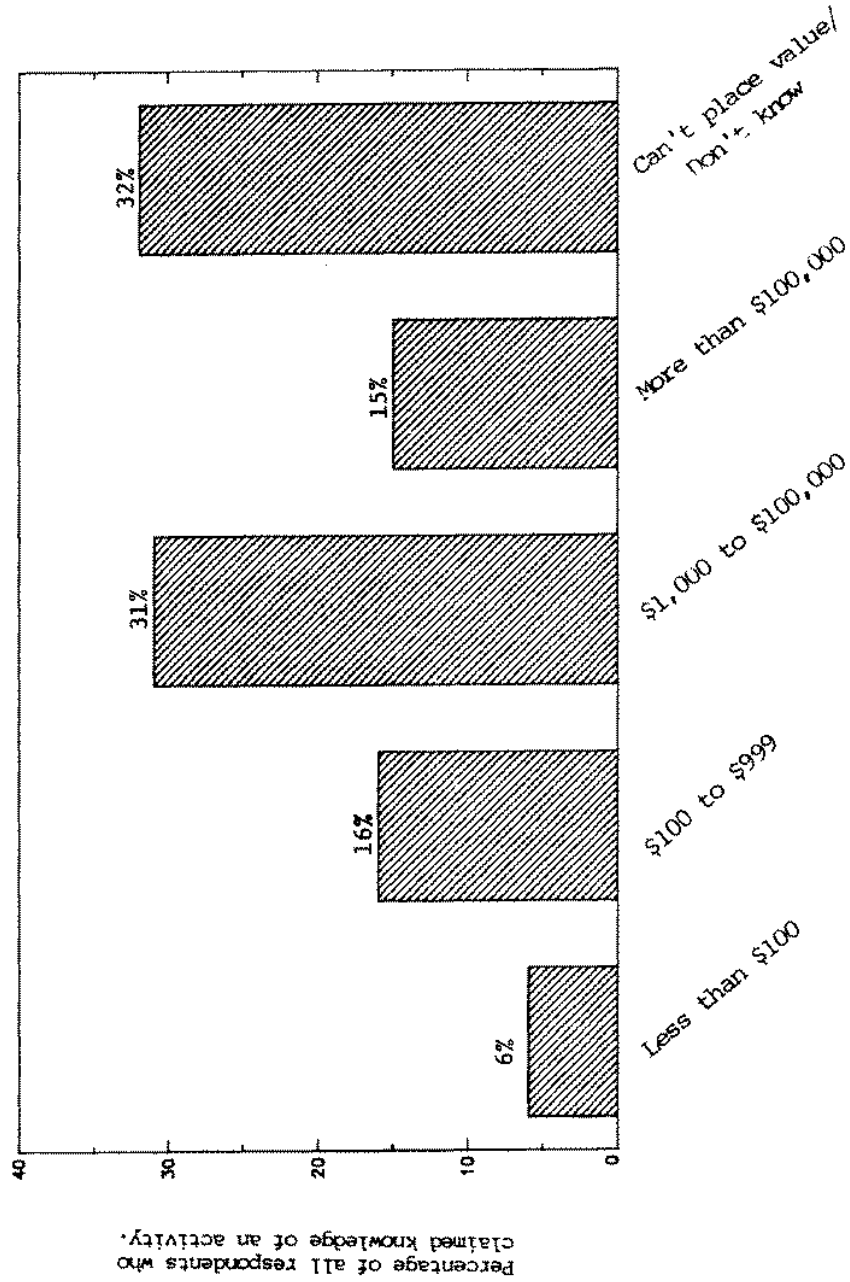
Waste caused by a badly managed program.

1/ Respondents: Restricted to employees within the 14 agencies surveyed in both 1980 and 1983.

Number of respondents: 2,042 for 1980 survey; 515 for 1983 survey.

CHART 2-5
Perceived Cost of Selected Wasteful Activities
(1983 Survey Results)

Question 17: If a dollar value can be placed on the activity, what was the amount involved?



Number of respondents: 1,104.

Approval of a loan pay-off and subsequent reinstatement that resulted in approving an additional \$900,000 at a substantially below market interest rate and providing additional rent subsidies to off-set the increased amortization.

These examples, while not typical, do illustrate the perceived magnitude of particular problems in some organizations. Naturally, not all illegal or wasteful activities can be reduced to a dollar value. This is the case, for example, where the wrongdoing involves the toleration of a situation or practice which poses a danger to public health or safety. Respondents to the 1983 survey, therefore, were also asked to indicate how frequently the activity they considered "most serious" occurred. Of all the 1983 respondents who answered this question, one-half of them (50%) claimed that it occurred frequently, 31 percent believed that it occurred occasionally, 12 percent thought that it occurred once or rarely, and the remaining 7 percent said that they did not know how frequently it occurred.

C. CONCLUDING OBSERVATIONS

In comparing the Board's 1980 and 1983 survey findings, and within the 14 agencies surveyed in both years, there was a significant decline (from 45% in 1980 to 25% in 1983) in the percentage of Federal employees who claimed to have recent and personal knowledge of one or more illegal or wasteful activities.²¹ The fact remains, however, that in 1983 close to one out of every four (23%) of the respondents to the Board's survey still claimed to have direct knowledge of some type of wrongdoing.

Furthermore, based on the estimates provided, many of the activities observed by the respondents both in 1980 and again in 1983 cannot be written off as inconsequential or frivolous in that a high percentage reportedly involve substantial (more than \$1,000) sums of money or they occur frequently or both.

Finally, while the activities the respondents claim they observed run the gamut, the activities identified as the most serious often involve the somewhat subjective areas of waste caused either by poor management or by unnecessary or deficient goods or services.

²¹ Since the remaining agencies covered by the 1983 survey were not included in the 1980 study, we do not have baseline data and cannot say with any assurance that they did or did not experience a comparable decline.

The significance of these findings are brought more clearly into focus in the next chapter which looks at what Federal employees do with information they have about illegal or wasteful activities and why.

CHAPTER 3: WHAT FEDERAL EMPLOYEES DO WITH INFORMATION ABOUT ILLEGAL OR WASTEFUL ACTIVITIES AND WHY

A. INTRODUCTION

This chapter explores what, if anything, employees do with information about illegal or wasteful activities they have observed and the explanations they give for their behavior. Where possible, survey findings from both of the Board's studies are compared. However, since the Board's 1983 survey contained a greater number of demographic questions than the 1980 study, this chapter also provides some new insights into the differences between certain categories of employees regarding their willingness to report fraud, waste, and abuse.

A major concern that arose from the Board's 1980 study was that, of the respondents to the 1980 survey who claimed to have direct knowledge of some type of illegal or wasteful activity, a very large proportion (70%) chose not to report it. A very sizeable reservoir of potentially valuable management information, therefore, was going largely untapped. This was especially relevant since the legal protections against reprisal contained in the Civil Service Reform Act of 1978 are based, in part, on an assumption that these protections would encourage more employees to share information about wrongdoing with responsible officials. In its 1983 survey, therefore, the Board was especially interested in determining whether any changes had occurred since 1980 in the willingness of employees to report illegal and wasteful activities.

As will be discussed in this chapter, the 1983 survey findings reveal negligible change in employee willingness to report wrongdoing. The reasons for their reluctance, furthermore, remain very similar to the reasons provided in 1980 with one significant difference, i.e., in 1983, 37 percent of the knowledgeable employees gave fear of reprisal as a reason for not reporting an activity compared to only 20% in 1980.

Critical Questions

To determine what Federal employees do with firsthand information about fraud, waste, or mismanagement and the implications of their actions relative to the efficiency and effectiveness of the Federal Government, this chapter seeks to address the following critical questions:

- What percentage of those employees who claimed to have recent and direct knowledge of some type of illegal or wasteful activity reported that activity in 1983?
- For all respondents to the 1983 survey who claimed to have direct knowledge of wrongdoing, what are the differences in reporting rates, if any, among the various categories of respondents (e.g., male vs. female, older vs. younger, and so on)?
- For those employees who claimed to have direct knowledge of some type of wrongdoing and who also chose not to report it, what are the major reasons given in 1983 for the nonreporting?

- What are the differences, if any, between the findings of the 1980 and 1983 surveys relative to these critical questions?

Major Findings

An analysis of the responses to the Board's 1980 and 1983 findings shows that, for the most part, little change occurred in the time interval between surveys in employee willingness to report wrongdoing. One change that did occur in employee attitudes, however, is a relative increase in the percentage of employees citing fear of reprisal as a reason for not reporting an observed activity. Finally, the addition of several demographic questions in the 1983 survey that were not contained in the 1980 study provides some additional insights into the differences among various categories of employees relative to their willingness to report wrongdoing. The findings contained in this chapter can be summarized as follows:

- In 1983, among the respondents from the 14 agencies originally surveyed who claimed to have personal knowledge of some type of wrongdoing, 69 percent chose not to report it. This finding is almost identical to the finding from the 1980 survey in which 70 percent of the knowledgeable respondents did not report observed wrongdoing. Finally, when we consider the answers from all of the respondents to the 1983 survey (including those from agencies not originally covered), we find that even among this larger group of employees, 70 percent chose not to report an observed illegal or wasteful activity.
- The 1983 survey results also revealed that there are significant differences in willingness to report among employees who are part of certain demographic "groups." For example, 34 percent of all male employees but only 22 percent of all female employees who observed an illegal or wasteful activity say they reported it. In a similar vein, only 18 percent of employees in the 20 - 29 age range reported an observed incident whereas 40 percent of those in the 50 - 59 age range say they were "reporters."
- Employees in both 1980 and 1983 most frequently cited their belief that nothing would be done to correct an illegal or wasteful activity as a reason for not reporting the activity. In both years, 53 percent of the "nonreporting" respondents from the same 14 agency groups cited this belief as one of the reasons they did not report an observed incident. Combining the 1983 survey results from all the agencies covered, we find that an even greater percentage (61%) cited this belief as a reason for not reporting fraud, waste, or abuse.
- In 1980, 20 percent of the "nonreporters" gave fear of reprisal as one of the reasons they did not report an activity. In 1983, however, we find that within the same group of agencies over one-third (37%) of all employees who did not report an observed activity now gave fear of reprisal as one of the reasons. Among all agencies covered by the 1983 survey, fear of reprisal was cited as a reason for keeping silent by 34 percent of the "nonreporters."

B. FINDINGS

This section is organized under two subheadings: **Willingness of Employees to Report Illegal or Wasteful Activities**, summarized in the preceding section, and **Why Employees Do Not Report Wrongdoing**. The major findings are discussed in greater detail under the appropriate subheading along with relevant charts.

Willingness of Employees to Report Illegal or Wasteful Activities

As mentioned earlier in this report, Congress had high expectations regarding the benefits to be derived when they provided statutory protections against reprisal to employees who disclosed information about fraud, waste, and abuse. A major expectation was that the legislation would result in an increase in employee disclosed information that would be useful in the Government's efforts to reduce the incidence and costs associated with illegal and wasteful activities.

For example, speaking in support of a proposed "whistleblowing" amendment during debate on the CSRA, Senator Robert Dole remarked:

one of the most important aspects of this amendment is the encouragement of Federal employees to disclose illegality, waste, abuse, or dangers to public health or safety, without the fear of reprisal.²²

These expectations presumably were based on the assumption that fear of reprisal is a main inhibitor for employees who would otherwise "blow the whistle" on illegal or wasteful activities affecting their agencies. A reduction in the "fear factor," therefore, should result in an increase in the level of employee involvement.

Contrary to Congressional expectations, however, the Board's survey findings show that the reluctance of Federal employees to report wrongdoing, which was first identified in the Board's 1980 study, has changed little in the 2 1/2 years between that survey and the Board's 1983 follow-up. Among the respondents from the 14 agencies surveyed in both 1980 and 1983 who claimed to have recent personal knowledge of some type of wrongdoing, 70 percent of the 1980 respondents chose not to report the activity while an almost identical 69 percent of the 1983 respondents also chose not to report it. Among all respondents to the 1983 survey who claimed to have relevant knowledge, again a full 70 percent chose not to report it.

²² U.S. Congress, Senate, Senator Robert Dole speaking for an amendment to the Civil Service Reform Act of 1978, S. 2640, 95th Congress, 2nd session, August 24, 1978, as reprinted in Legislative History of the Civil Service Reform Act of 1978, U.S. House of Representatives, Committee on Post Office and Civil Service, Committee Print no. 96-2: 1680.

As can be seen in Chart 3-1, the willingness to report wrongdoing among employees in various grade level groupings also reveals a similarity between the 1980 and 1983 survey findings in that, proportionately speaking, employees at the lowest grade levels are the least likely to report an illegal or wasteful activity while employees at the higher grade levels are the most likely to report an activity. This is not particularly surprising since employees at the higher grade levels, especially managers and supervisors, are more likely to have illegal or wasteful activities called to their attention in the course of carrying out their responsibilities and they are more frequently expected to point out problems.

One interesting aspect of the data presented in Chart 3-1 is that the percentage of respondents in the SES who indicate that they did report an observed activity increased from 39 percent in 1980 to 68 percent in 1983.²³ It would appear that respondents at the SES level in 1983 were significantly more willing to report fraud, waste, and abuse than were their counterparts in 1980.

Compared to the Board's 1980 survey, the 1983 questionnaire contained a greater number of demographic questions (i.e., those asking for personal information about each respondent). Because of this, the study team was able to gain additional insight into those factors that appear to influence whether or not an individual will report an observed instance of fraud, waste, or abuse. Chart 3-2, for example, reveals an interesting statistic in that among all the male respondents to the 1983 survey who claimed they had recent knowledge of an illegal or wasteful activity, 34 percent said that they reported it while only 22 percent of the female respondents with similar knowledge reported the activity.

Another interesting finding from the 1983 survey, displayed in Chart 3-3, reveals that the willingness to report an activity varies by age group but there is not a straight correlation, i.e., the youngest age group (20-29) has the lowest reporting rate (18%) but the oldest age group (60+) does not have the highest rate. That distinction belongs to the 50-59 age group with a reporting rate of 40 percent.

A breakdown of reporting rates by years of service, however, provides results which support the theory that fear of reprisal is an inhibitor. As shown in Chart 3-4, this is based on the fact that the reporting rate for groups of employees with 30 years of service or less varies by no more than 4 percentage points with the highest reporting rate being 31 percent. The reporting rate for employees with 30 or more years of service, which would make many of the respondents in this category eligible for retirement, is a significantly higher 42 percent. A plausible explanation for this difference, of course, is that the fear of reprisal is less when employees are not dependent upon their job for continued livelihood. Retirement eligibility would provide that greater degree of perceived independence for some.

²³ Since the total number of executive branch employees in the SES account for less than one-half of 1 percent of the total work force, the high percentage of SES respondents in 1983 who claimed they reported an activity had relatively little influence on the overall rate of reporting in 1983.

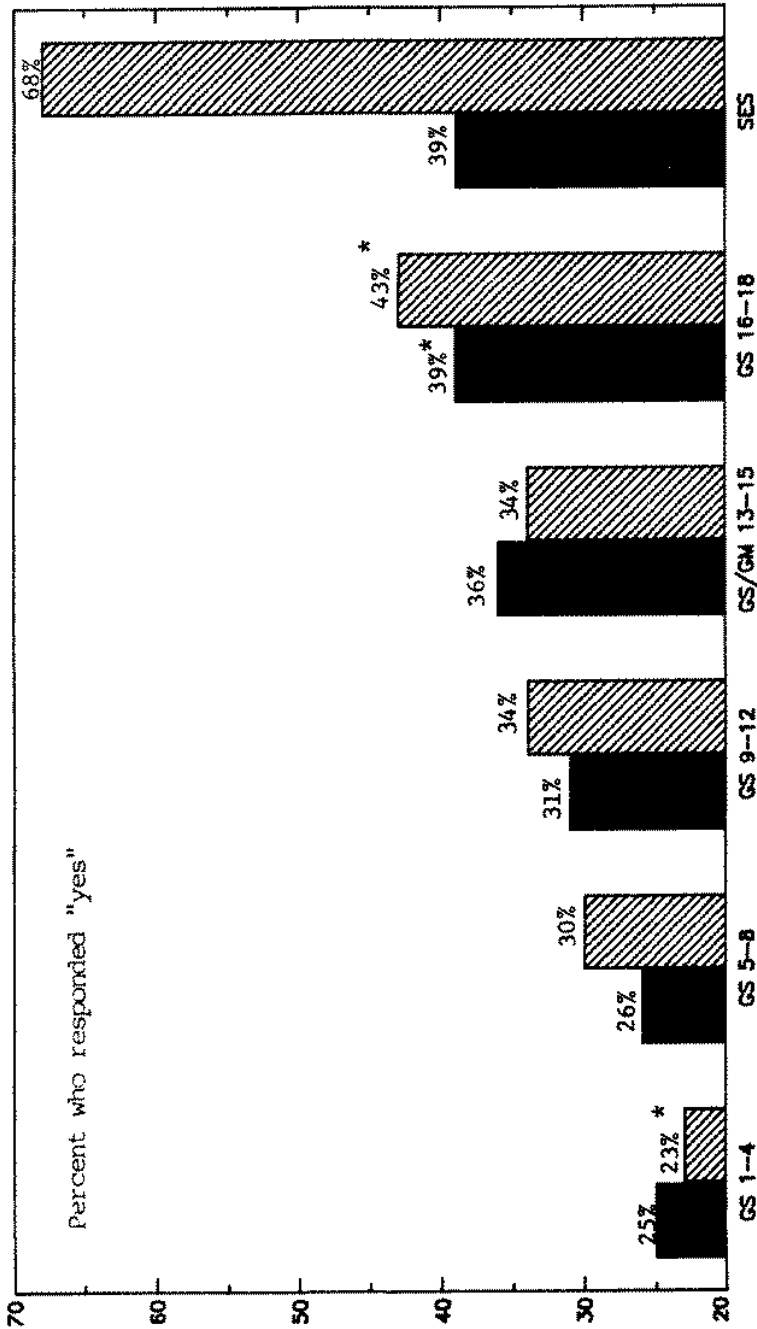
CHART 3-1

Incidence of Reporting by Grade Level

1980 Survey
 1983 Survey

Question 19: Did you report the activity to any individual or group?

Question 21: Did you report the activity to any individual or group?



Percentage of all respondents grouped by grade level, who observed an activity.

1/ Respondents: Restricted to employees within the 14 agencies surveyed in both 1980 and 1983.

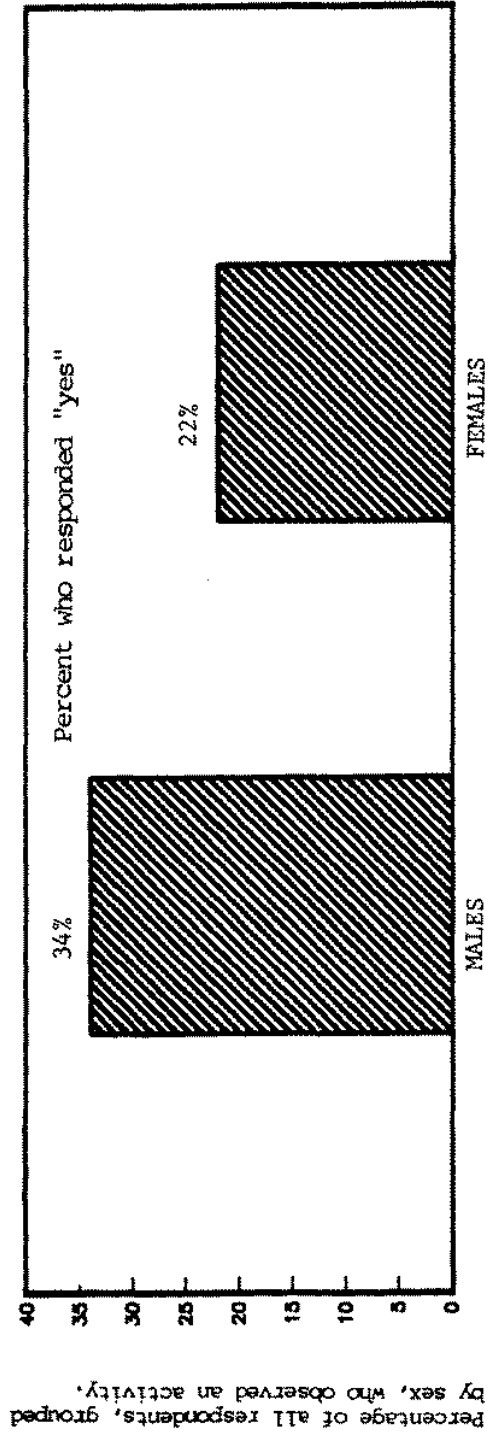
Number of respondents: 3,092 for 1980 survey; 535 for 1983 survey.

* These categories have fewer than 20 cases.

CHART 3-2

Reporting Rates By Gender
(1983 Survey Results)

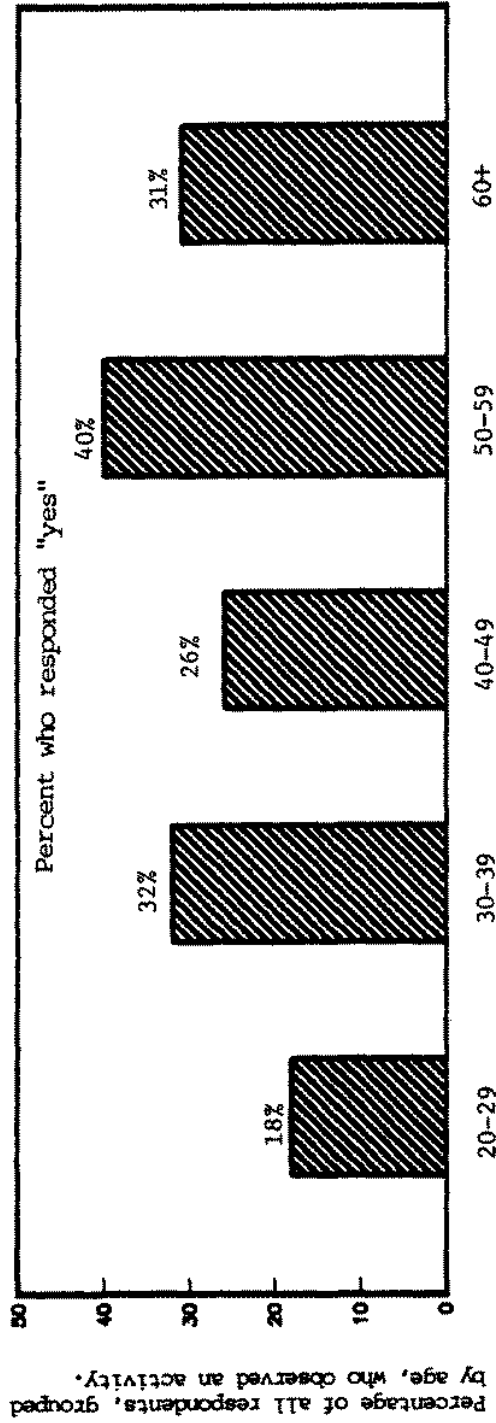
Question 19: Did you report the activity to any individual or group?



Number of respondents: 997.

CHART 3-3
Reporting Rates By Age
(1983 Survey Results)

Question 19: Did you report the activity to any individual or group?

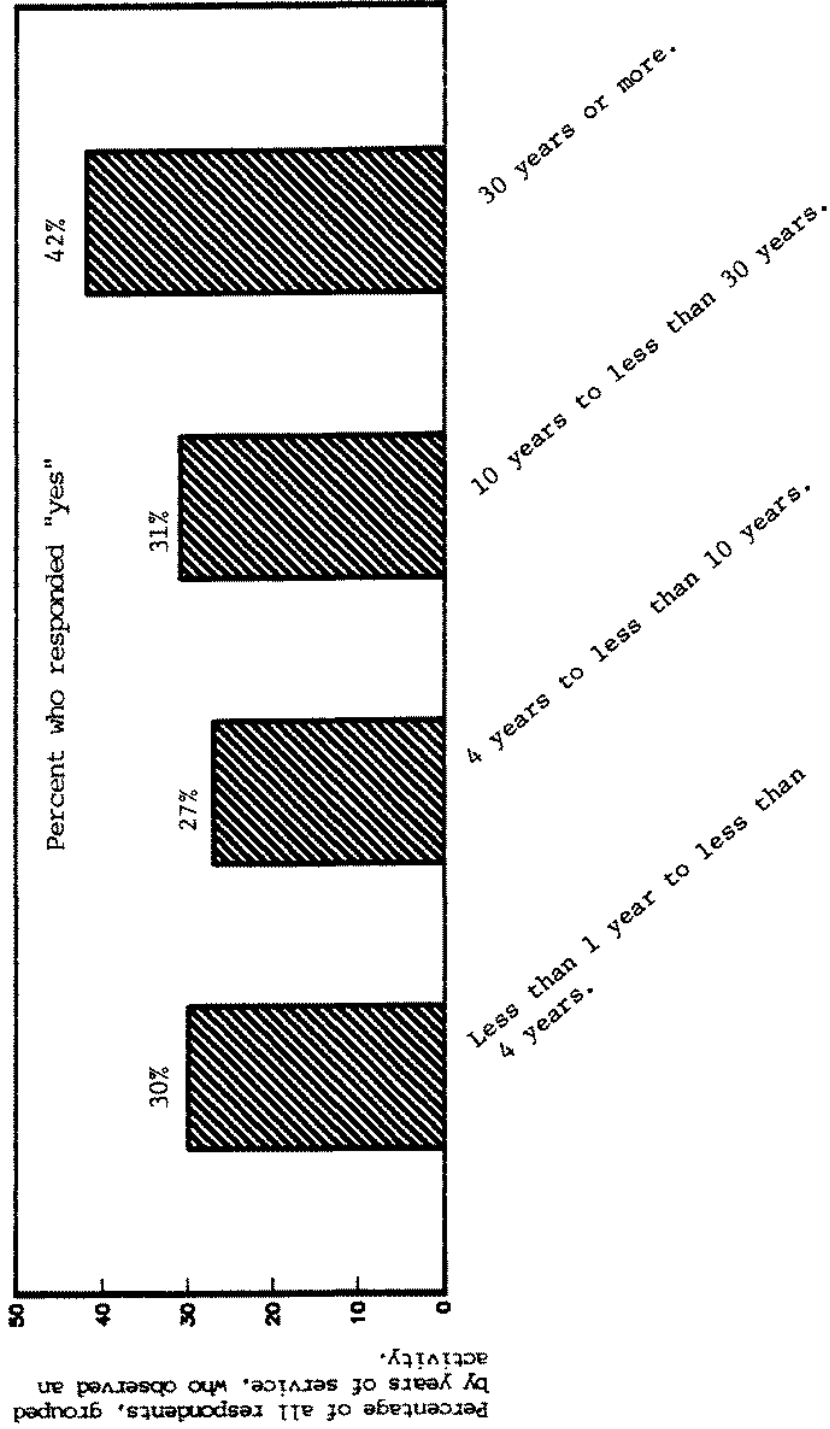


Number of respondents: 997.

CHART 3-4

Reporting Rates By Seniority
(1983 Survey Results)

Question 19: Did you report the activity to any individual or group?



Number of respondents: 999.

In Charts 3-5 and 3-6, we also find that reporting rates vary somewhat by job types and, within job types, by general occupational category. Respondents who describe themselves as technicians, for example, are the most likely to report an illegal or wasteful activity, with two out of every five (40%) who claim to have knowledge of an activity also claiming they reported it. Respondents who placed themselves into an "other" category, in preference to a clerical, manual, technician, or professional designation, had the lowest reporting rate (18%).

Looking at reporting rates within broad occupational specialties, moreover, one also finds considerable variance. Respondents who placed themselves in the accounting or economics field were the least likely to have reported an observed activity, in that only one out of every five (20%) claimed they had done so followed closely (23%) by those in administration (personnel, budget, etc.). On the other hand, respondents in the medical or health field were more than twice as likely as accountants to report wrongdoing in that 43 percent of the respondents in this area said that they had reported an activity followed closely by those in the biological, mathematical, and physical sciences (41%). Part of this difference might be related to the type of activity that is likely to be observed by individuals in the various fields. A medical technician who observes an illegal activity which is life threatening would most likely be strongly motivated to report it whereas an accountant who observes an illegal accounting transaction would quite possibly be less motivated.

Why Employees Do Not Report Wrongdoing

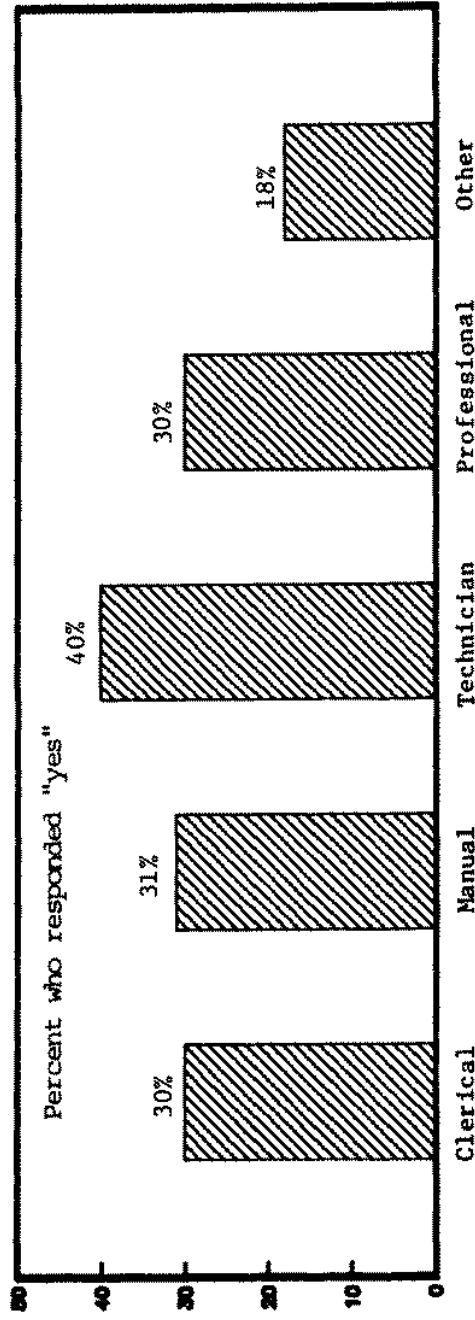
As in the Board's 1980 study, a crucial question arising from the Board's 1983 survey is why such a large percentage of Federal employees who have direct knowledge of fraud, waste, and abuse chose not to report it. As in 1980, the Board's most recent survey findings indicate that clearly the predominant reason remains one of skepticism.

As shown in Chart 3-7, employees in both 1980 and 1983 who chose not to report an illegal or wasteful activity most frequently declared that they "did not think that anything would be done to correct the activity" as one of the reasons for not reporting it. In both years, 53 percent of the respondents from the same 14 agency groups who did not report an observed activity gave that reason. Combining the responses from all the agencies surveyed in 1983, we find that an even greater percentage (61%) cited this belief as a reason for not reporting some type of fraud, waste, and abuse.

One major difference between the 1980 and 1983 survey relative to the reasons given by employees for not reporting an observed activity deals with the perceived possibility of suffering some type of reprisal as a result. In 1980, 20 percent of the respondents who did not report an activity said that they "decided that reporting the matter was too great a risk for me." As also shown in Chart 3-7, however, almost twice as many (37%) respondents to the 1983 survey gave this response as a reason for not reporting. Among all respondents to the 1983 survey who did not report an observed wrongdoing, 34 percent cited this fear of reprisal as a reason.

CHART 3--5
Reporting Rates By Job Type
(1983 Survey Results)

Question 19: Did you report the activity to any individual or group?

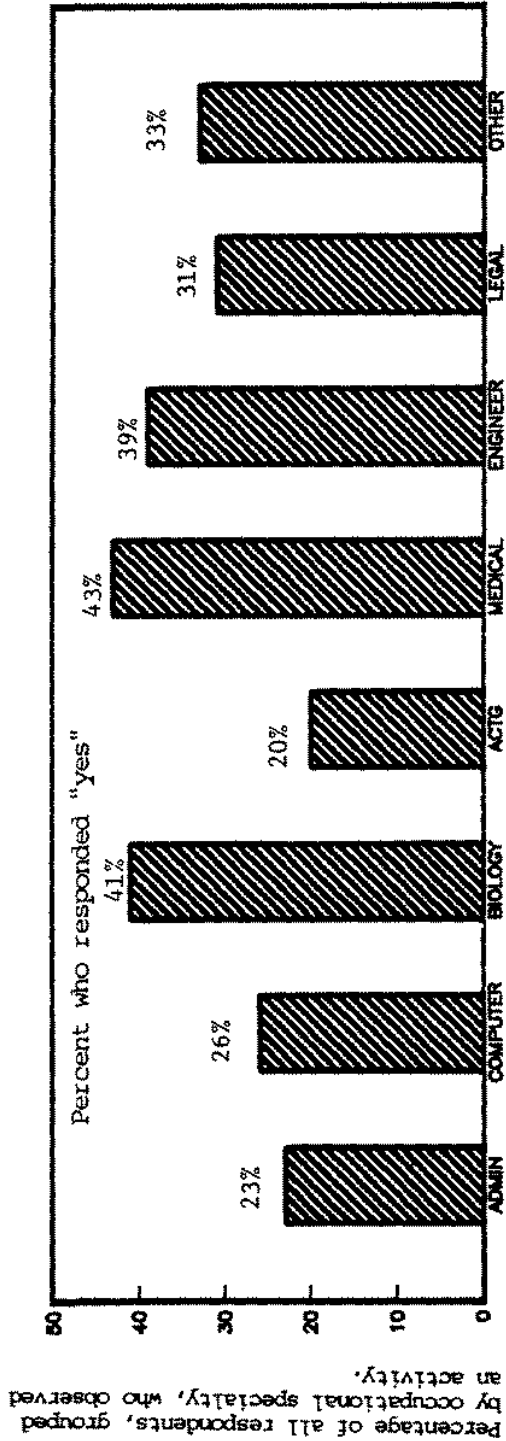


Percentage of all respondents, grouped by general occupational categories, who observed an activity.

Number of respondents: 981.

CHART 3-6
Reporting Rates by Occupational Specialty
(1983 Survey Results)

Question 19: Did you report the activity to any individual or group?



Number of respondents: 850.

CHART 3-7

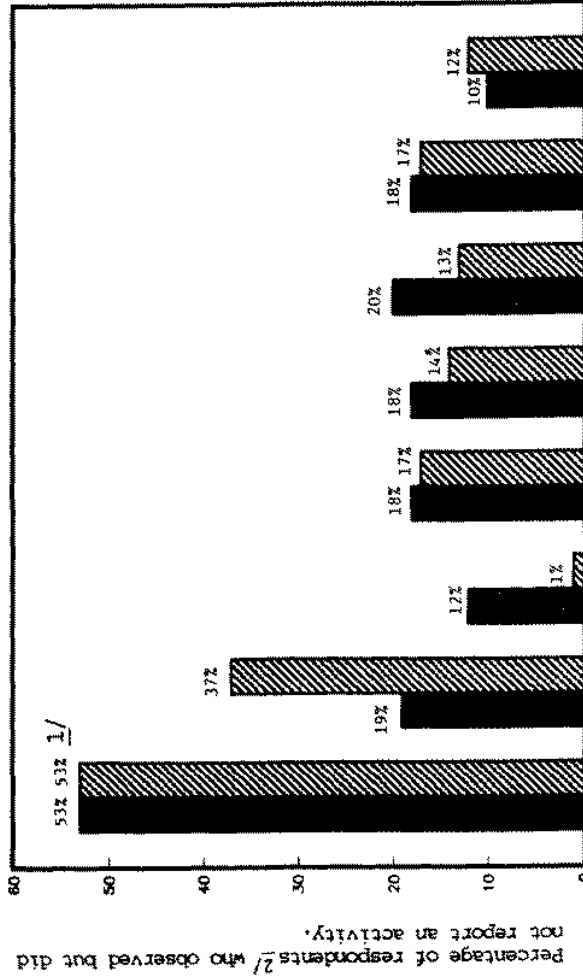
Reasons Given for Not Reporting an Activity

1980
Survey

1983
Survey

Question 22: If you did not report this activity to any individual or group, which of the following statements best describes your reason(s) for not reporting it?

Question 20: Which of the following statements best describes your reason(s) for not reporting the activity?



Reasons Given for Non-Reporting:

1/ Respondents were allowed to check more than one response and percentages, therefore, add to more than 100%.

2/ Respondents: Restricted to employees within the 14 agencies surveyed in both 1980 and 1983.

Number of respondents: 2,375 to 2,419 (depending on the response) for 1980 survey; 324 for 1983.

Two other significant differences between the two Board surveys relative to the reasons employees gave for not reporting an observed activity involve a decline in the percentage of respondents who gave that particular reason in 1983 versus 1980. In 1980 and among employees in the 14 agencies surveyed in both years, 12 percent of those who did not report an observed activity said they "did not think it was important enough to report." In 1983, only 1 percent of the nonreporters gave this as a reason. In a similar manner, 20 percent of the nonreporters in 1980 said they "did not think anything could be done to correct the unreported activity." In 1983, however, only 13 percent of the nonreporters gave that reason.

C. CONCLUDING OBSERVATIONS

Based on the data presented in this chapter, it is clear that one of the goals of the Civil Service Reform Act--to encourage greater employee participation in the disclosure of fraud, waste, and mismanagement--is not yet realized. In fact, in the 2 1/2 years between the Board's surveys, no measurable progress has been made in the self-reported willingness of Federal employees to report illegal or wasteful activities they observe.

One trend in employee perceptions that demands additional scrutiny is the dramatic increase in the percentage of employees who report that they believe a report of an illegal or wasteful activity will expose them to the risk of reprisal. This is, of course, exactly the opposite of what Congress had hoped would occur upon adoption of statutory protections against reprisal. In the last chapter of this report, we will examine what happened to those employees who said they not only observed some type of fraud, waste, or abuse but that they went one step further and reported it.

As the Board found in 1980, however, the single most compelling reason for this lack of employee involvement is the persistent belief among a large percentage of employees that reporting what they believe to be fraud, waste, or abuse would be for naught. Why expend the energy or take a risk if nothing constructive will happen as a result?