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What the US can teach the UK on whistleblowing

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I recently spent a week in London as the honorary American at <u>Whistleblower Awareness Week</u>. This was very obvious; I did not blend in. Especially because I was there to explain the US system of whistleblower rewards: a system that works, but I was repeatedly told "is not British".

What is "British?" Is money laundering "British?" The UK is a hub of international money laundering, with an estimated 40 per cent of the world's dirty money going through the UK. Is tax evasion "British?" HMRC has said that £5.5bn in UK taxes is lost each year. Is making whistleblowers into martyrs "British?" It certainly seems so, because under the current law

(Public Interest Disclosure Act), <u>97 per cent</u> who bring their case to an employment tribunal lose their case.

Even in the US, where enforcement actions from regulators have dropped this year, they have a better chance of being heard and rewarded for doing the right thing, because the system works with them, not against them. Reward programmes have paid out more than \$16bn as of 2023, with the US Securities and Exchange Whistleblower Office paying rewards of \$224mn to whistleblowers in 2024 alone.

In the US, enforcement priorities have changed with the new administration, which is especially clear with the new more limited Foreign Corrupt Practices Act <u>guidelines</u> and less aggressive <u>crypto enforcement</u>. While the full effect of these changes is not yet clear, the reward programmes are still actively working with whistleblowers, while protecting their anonymity and confidentiality.

In the UK, however, the odds are stacked against people who blow the whistle. They are forced to go toe to toe with their employer, and every word they disclose is scrutinised to see if it fully qualifies as a "protected disclosure" under PIDA and whether their motives are untouchable. How long can any person survive under the microscope of their employer's team of lawyers? Especially if the employer's goal is to "make an example" of them, so no one else dares follow in their footsteps.

In the US, whistleblowers are a valued and protected tool in the regulator's arsenal and are rewarded based on success. They remain confidential and anonymous throughout the entire process, which is the <u>best protection</u>. A whistleblower can't be retaliated against if no one knows they are a whistleblower. They can't be retaliated against if no one knows they are blowing the whistle.

I have worked with UK citizens who have blown the whistle both in the UK and the US. They tell me they prefer the US system because they are able to work with regulators to fix the injustice they have found. Meanwhile, in the UK, it is an uphill battle to even get justice for the retaliation against themselves, let alone fix the underlying issues.

A report by the <u>Royal United Services Institute</u> found that reward programmes would be effective in the UK. The <u>Serious Fraud Office</u> and <u>HM Revenue & Customs</u> recognise this and are working to establish rewards programs. In doing so, it is important that they follow RUSI's recommendations, including mandatory rewards.

When looking at why rewards aren't "British", we need to look at who benefits from this. Let's

take a look at one of the biggest scourges on the planet: plastic. In the 1980s, the <u>plastics</u> industry convinced the world that recycling was the responsibility of individual customers in order to reduce scrutiny of their businesses.

It is the rich and powerful, who don't want their dirty money and tax havens exposed, who have every reason to convince the public that rewards are not "British", because <u>they know they are effective</u>. Rewards make whistleblowing profitable and corruption unprofitable.

While the UK works to determine what it wants to be "British", the US programmes are still available for whistleblowers in the UK, where they can be <u>rewarded instead of martyred</u>.



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