

Whistleblowing: Reporting unfair practices or rule violations in the workplace

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Blow the whistle, employees and business partners, and make your employer or business partner aware of violations of ethical, moral or legal rules in the workplace. This term, relatively unknown in Slovakia, applies to reporting unfair or unethical practices to a superior, director or person in authority at the corporate group level. In this way whistleblowing helps to keep a high standard of corporate culture and the good name of the company, especially valued by large corporate groups and highly important in business.

In the EU, whistleblowing applies mainly to cases of protected reporting of unfair practices within business competition. A company which reports unfair competition (usually a cartel) to the European commission and which has taken part in such unfair competition itself can, through whistleblowing, avoid huge penalties imposed by the European Commission for violating the rules of economic competition. Alternatively, a company that reports unfair practices may pay a much lower fine than its co-competitors. In the field of unfair competition this controlled reporting is called leniency.

Recently, the cases of internal whistleblowing in the form of reporting e.g. (I.) corruption or bribery through material or monetary gifts, (II.) illegal bookkeeping, (III.) insufficient control of products or production processes, (IV.) violating safety rules, (V.) misleading customers are on the rise.

Employers who want to promote and preserve their corporate culture and support adherence to (legal and ethical) rules introduce their own internal mechanisms for reporting unfair practices as part of corporate compliance. This applies mainly to modern companies with a wide employee

base and foreign capital. Whistleblowing is regulated through internal rules which require ordinary, transparent and ethical operation of the company and obedience to legal and moral rules in the workplace. If an employer introduces this mechanism, staff are usually informed when starting work and the company usually requires strict observance throughout the employment term. Employees learn where and to whom to report unfair practices. The most frequent whistleblowing mechanisms include reporting to external consultants (company ombudsman or lawyer), through special hotlines, so-called black boxes, or special e-mail accounts. Reports are often anonymous and are dealt with either directly by the HR department or by management, at corporate group level or by external consultants.

Reporting unfair practices to persons other than representatives of the company or the group, such as the media and non-governmental organizations, or publication on the internet can cause considerable harm, especially damage to the good name of the company or violation of personal rights of persons, but is usually against the law and the employment contract.

The resulting damage can be considerable in financial terms and in this case whistleblowing is likely to cause the employee more harm than good.

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An employee or other person who decides to become a whistleblower is entitled to extensive legal protection despite the fact that whistleblowing is not explicitly regulated by Slovak law.

In the public sector employees are protected under the law on work in the public interest and the law on the civil service. These regulate the filing of complaints or reports of violation of duties to the employer. In the private sector the Labor Code applies and enables an employee to file a complaint against a

fellow employee or against the employer without sanction. Furthermore, the relatively new act on complaints includes a general regulation concerning filing complaints directly with a public authority or a person authorized to decide on the rights, legally protected interests or obligations of other persons. This law, which applies to all natural and legal persons offers whistleblowers protection against negative consequences of their action. In the case of external whistleblowing, here the act on periodicals and news coverage by agencies (press act) includes the obligation to keep the identity of the source confidential.

However, whistleblowers need to be aware that reporting is also limited by law, especially by protection of personal rights under the Civil Code, personal data protection by law (especially in the case of transnational reports), protection of business secrets under the Commercial Code, protection of confidential information by law, and confidentiality obligations under the Labor Code.

An employee or a business partner who decides to file a report both with the employer or management and with the criminal authorities runs the risk of false accusation if the suspicion of unfair practice is not proved. If you haven't introduced an internal whistleblowing hotline or e-mail account yet, consider doing so as it will reduce the risk of violation of legal and ethical rules in the workplace.



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