

Whistleblowing and Sarbanes-Oxley

Name

Institutional Affiliation

Whistleblowing and Sarbanes-Oxley

Whistle-blowing involves an individual exposing the wrongdoings within an organization to either those in authority or the public. An employee who is a whistle-blower can also reveal information on a given action of misconduct in their places of work that they feel is a violation of the existing laws and may be of great danger to the welfare of others. One of the greatest wrong-doing that whistle-blowers expose in their workstations are cases of corruption. This paper describes the key characteristics of whistleblowers and gives a brief summary of an instance of whistleblowing. The analysis also entails the extent in which the Sarbanes-Oxley law protects the whistleblower.

Characteristics of whistleblowers

Whistle-blowers have several characteristics. The one major trait that these people experience is that they show devotion to their cause. In many cases where people disclose the deceitfulness in their workstations or the places where they used to work, the whistleblower ensures that he or she gets to the cause of the problem and work tirelessly towards ensuring that action is taken towards the wrong-doers. This rare group of people is also uninterested in altering their behaviors even if money or other resources motivate there; they maintain their primary stand. Whistleblowers also use their attitudes and beliefs as their guidance. Unfortunately, most whistle-blowers are useful to others than themselves or their previous or current companies.

Case of whistleblowing

The fact that the 21st century marked the dawn of whistleblowing is undisputable. One such brave act was pulled by Dr. David Hammett whose whistle-blowing case was concluded on 12 August 2016. The whistleblower was a doctor who worked at Lexington Medical center after the organization purchased Columbia Medical group (*The state*, 2016). Dr. Hammett, together

with his colleagues signed an employment contract according to a lawsuit filed in federal court. The doctor was tasked with the responsibility of referring patients to an MRI provider whose location was in Richland County. The neurologist was put on the spot by the hospital management and asked to resign since “his actions were putting jobs at risk”. Dr. Hammett refused to resign and was dismissed in 2013. The Doctor battled the organization legally as he believed that the health center had violated the Stark Law that assisted in making sure that physician referrals are not based on financial gains but medical need (*The state*, 2016). The Lexington Medical Centre expected that the doctors affiliated to it must refer their patients for examination and other procedures in the health institution. According to the lawsuit, Dr. Hammett was a specialist with vast knowledge in MRI studies, and the referrals were made due to patient needs. Therefore, Dr. Hammett’s suit was a federal whistleblower action.

The action of whistleblowing exhibited by this medical practitioner resulted in a medical settlement. The court awarded the neurologist 4.6 million US dollars as a portion of the \$17 million reward for whistleblowing (*The state*, 2016). The Lexington Medical Centre will have to enter into a Corporate Integrity Agreement in addition to the \$17 million settlement to assist in the implementation of procedures and policies aimed at the detection and prevention of any future violations of the Stark Law.

Justification of the whistle-blower

It is undeniable that most cases of whistleblowing are often erroneous or have malicious intentions. However, Dr. Hammett’s situation is justifiable. The hospital was in violation of the existing health laws and was not in a position to fire this neurologist for doing his work. According to the suit, this health practitioner had a wealth of knowledge in MRI studies. Therefore, there is a great logic behind his decision to refer patients to institutions that he

believes have specialized equipment that may serve their medical needs. If Dr. Hammett kept quiet about the situation, many people would be affected by Lexington Medical Centre's decisions. Probably, there would be no patient referrals to external institutions with specialized Magnetic Resonance Imaging technology. Consequently, the patient's health would be at risk.

Whistleblowers under the Sarbanes-Oxley Act

The Sarbanes-Oxley Act guarantees whistleblowers protection against public or private employers (Sarbanes Oxley Act Section 806, 2016). The corporations can be sued if the employees report that their institutions retaliated against them for reporting any form of wrongdoing. The section 806 of the Sarbanes-Oxley Act is specifically for the legal protection of the employees of organizations that are of service to the public who suspect that their employers carry out violations of a wide range of federal offenses. Since Dr. Hammett had already been fired by the institution he worked for and the court approved a compensation of \$ 4.5 million, the Sarbanes-Oxley Act protects him from any harm. The issue of reinstatement of this medical practitioner back to the health center is evident. The Section 806 of Sarbanes-Oxley Act also allows the whistleblower to demand reinstatement and payback from their employers (Sarbanes Oxley Act Section 806, 2016). It is undisputable that the Lexington Medical Centre will have to re-employ the neurologist in addition to the compensation. Therefore, the Sarbanes-Oxley Act sufficiently protects Dr. Hammett.

References

Feds investigating doctor's claim of civil fraud at Lexington Medical Center. (2016).

Thestate.com. Retrieved 15 August 2016, from

<http://www.thestate.com/news/business/article36714693.html>

Sarbanes Oxley Act Section 806. (2016). *Sarbanes-oxley-act.biz*. Retrieved 15 August 2016,

from <http://www.sarbanes-oxley-act.biz/SarbanesOxleySection806.htm>