Corporate Integrity at a Crossroads

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Objective:

This study was designed to collect and analyze data on corporate ethics, the regulatory landscape, and individuals’ willingness to blow the whistle on wrongdoing.

Methods:

In June of 2012, Populus conducted 250 online interviews in the United Kingdom and 250 more in the United States with senior individuals in the financial sector.

Key Findings:

- 24% of respondents believe that financial service professionals may need to engage in unethical or illegal conduct in order to be successful.
- 26% of respondents reported that they had observed or had firsthand knowledge of wrongdoing in the workplace.
- 16% of respondents reported that they would commit a crime, such as insider trading, if they could make $10 million and get away with it.
- 30% of respondents reported their compensation or bonus plan created pressure to compromise ethical standards or violate the law.
- Only 30% of all respondents felt that the SEC/SFO effectively deters, investigates, and prosecutes securities violations.
  - 29% felt the same way about FINRA and FSA.
- Only 35% of respondents felt that their employer would “definitely not” retaliate against them for reporting wrongdoing.
- Only 49% of US respondents were aware of the SEC Whistleblower Program

Conclusion:

Educational efforts must be increased to bridge the gap between regulators and industry. Compliance cannot be the overall goal, it must be improved ethical culture within organizations.

Full Report