

Whistle where you work?

Although there is protection in place for the brave souls who expose corruption, too often they pay for their courage



When US film and TV star Cliff Robertson died at age 88 in September 2011, not only did an Academy Award- and Emmy-winning actor pass away but also a courageous whistleblower.

Robertson is primarily known for his many film roles, especially the mentally disabled lead character in *Charly*, for which he won the 1968 Academy Award as best actor. He also played US Navy lieutenant John F. Kennedy in the 1963 film *PT 109* about the future president's heroic efforts to save the crew of the patrol boat he captained after it was sunk during the Second World War (Robertson was chosen for the part by Kennedy). More recently, he had a recurring role in the *Spider-Man* movies.

Robertson also gained a measure of both fame and infamy, however, as a whistleblower who exposed a cheque-forging and expense-account scheme perpetrated by David

Begelman, then studio head at Columbia Pictures. Under Begelman's watch hit films such as *Close Encounters of the Third Kind*, *The Way We Were* and *Shampoo* had come out, making him a powerful film czar.

The scandal that became known as Hollywoodgate began in February 1977 when Robertson received an IRS 1099 form from Columbia asking why he hadn't declared \$10,000 in royalties paid to him by the studio the previous year. Robertson knew no such payment had been made. "I hadn't even worked for Columbia. This old Scot's not going to pay taxes on money he didn't earn," he said and asked his secretary to find out what might have caused the mistake.

She called the accounts payable department at Columbia and spoke with a supervisor, who located the cancelled cheque, which had been cashed at a Beverly Hills, Calif., bank. The supervisor keenly noticed that the handwriting on Robertson's supposed signature endorsing the cheque looked very much like that of Begelman. This troubling

information was given to Alan Hirschfield, Columbia's president and CEO, who confronted Begelman with the supervisor's suspicions. Begelman told him some kid in New York was the forger and that he had been fired as a result of his actions. Hirschfield bought this flimsy lie and subsequently suggested to Robertson that the matter was closed and should be dropped. The actor did not agree.

"It was a well-known piece of wisdom," Robertson later said, "that in Hollywood the unadmitted but widely recognized covenant was, 'Thou shalt never confront major moguls on any kind of corruption or thou shalt not work.'" Despite knowing what could happen to his career if he pursued the investigation, the highly principled Robertson could not comply with Hirschfield's suggestion. He found it difficult to understand how a "kid from New York" could fraudulently issue a cheque, forge his signature on the back and cash it in Los Angeles.

Robertson contacted the LAPD and FBI with his concerns. An ensuing investigation easily confirmed that his signature had indeed been forged and that Begelman was the culprit. The studio head was first charged with grand theft but it was bargained down to a misdemeanor and the mogul was sentenced to community service. Columbia suspended Begelman and put him on a "paid vacation." The studio launched its own secret investigation and subsequently discovered at least three similar cases where Begelman had forged cheques in the amounts of US\$5,000, US\$25,000 and US\$35,000.

Despite growing evidence of Begelman's corruption — "A psychiatrist hired by the studio later attributed [it] to a penchant for self-destruction based on an underlying sense of guilt about his very success," *The New York Times* reported — Columbia reinstated Begelman following a two-month suspension. Not long after, however, he was quietly fired. The studio said he left due to emotional problems.

Columbia's board of directors wanted to keep what had become an embarrassing mess as quiet as possible and again entreated Robertson to stay mum. He refused, as did his then wife, actress and socialite Dina Merrill. They both talked to the media and, perhaps as a result, *Wall Street Journal* reporter David McClintick wrote about it in his newspaper and in 1982 published *Indecent Exposure*, detailing the forgeries and other types of similar wrongdoings in Hollywood.

Not long after leaving Columbia, Begelman was hired as the president of MGM. When it acquired United Artists he was named its chairman, a position he held until 1982. He was able to obtain other executive roles in Hollywood after leaving UA. "Begelman is very much Hollywood royalty," McClintick said around the time his book was published. "Over the years he's cultivated a strong network of friends and alliances that's like a safety net. [Being hired repeatedly after the scandal] is Hollywood being true to form." (In 1995, at age 73, again facing charges of fraud, Begelman killed himself in a hotel room he shared with singer Tony Bennet's ex-wife.)

After going public about the affair in the late 1970s, Robertson suffered the fate of far too many whistleblowers. "I was black-

balled and didn't work for three-and-a-half years," he said. "They were trying to send a message to other would-be Don Quixotes."

Although he was able to make a few small films, major roles didn't come his way. The actor who had once turned down the chance to play Dirty Harry was no longer an A-list star.

"Even with that outcome, Robertson said he was proud of what he did," McClintick wrote in *Indecent Exposure*. "They wrote me up in that congressional record. I was given a lot of citations. All the writers and creative people were delighted. Within two years, several other actors began confronting corporate corruption and creative bookkeeping."

Things finally changed for the better when a courageous director, Doug Trumbull, cast Robertson in *Brainstorm* in 1983, which featured Natalie Wood in what would be her final film. "He said he wouldn't listen to those bastards," Robertson told McClintick. "He said, 'He's right for this role and I'm going to hire him.' As soon as he did, it broke the cycle."

Most members of the public likely forgot or had no knowledge of Robertson's courageous decision as the years passed. In 2003, however, the Association of Certified Fraud Examiners (ACFE) changed that when it decided to present an annual award to honour whistleblowers who expose fraud and corruption. It

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named it the Cliff Robertson Sentinel Award and made the actor its first recipient.

"Cliff Robertson didn't come forward to get rich; he was already rich. And he certainly didn't tell the truth to become famous; Cliff was already famous. He did the right thing for one and only one reason: because it was the right thing." That was how Joseph Wells, the founder and then chairman of the ACFE, began his speech before presenting Robertson with the award at the association's annual conference in Chicago. The award bears the inscription, "For Choosing Truth Over Self."

"If we are ever to turn the corner on fraud," Wells continued, "we must have the help of those people society has tarred forever with being 'whistleblowers.' And we certainly need to call these heroes by a different name. They are actually corporate sentinels — our front line of defence against wrongdoing. We must remember their heroic sacrifices."

Historically, many whistleblowers have experienced sacrifices, such as losing their jobs, being persecuted by employers and suffering health problems resulting from the harassment they endured after coming forward about a perceived wrongdoing.

A famous case involved Jeffrey Wigand, a former vice-president of research and development at Brown & Williamson Tobacco Corp. As portrayed in the 1999 film *The Insider* (starring Russell Crowe as Wigand), Wigand's life became a nightmare after his former employer (he had been laid off in the mid-1990s) found out he was assisting the investigative program *60 Minutes* in a segment it was doing about some of the company's practices.

Wigand told the program Brown & Williamson, the third-largest tobacco company in the US, deliberately misled consumers about the addictive power of nicotine, how it knew and ignored research indicating some of its ingredients caused cancer and its efforts to conceal documents that might be used against it in lawsuits by customers who had become ill due to smoking.

During the time Wigand cooperated with *60 Minutes*, he and his family faced death threats. They were sued. And Brown & Williamson retained a public relations firm to dig up dirt on the PhD in biochemistry, which was detailed in a 500-page report that smeared Wigand's name and reputation.

The nasty report, however, was ultimately discredited. And Wigand won a major victory in November 1995 when he delivered a "damning deposition in a Mississippi courtroom that eventually led to the tobacco industry's US\$246-billion litigation settlement," as *Fast Company* magazine reported. But not without a terrible cost.

The stress caused by the endless attacks by Brown & Williamson ultimately led to the end of his marriage. When his wife left him she took their children with her. His career was over and he had to begin anew, becoming an award-winning high school teacher. A renowned speaker on matters such as smoking, he also created the foundation Smoke-Free Kids.

Like Wells, Wigand does not like the term "whistleblower." "[It] suggests you're a tattletale or that you're somehow disloyal,"

he says. "But I wasn't disloyal in the least bit. People were dying. I was loyal to a higher order of ethical responsibility."

In recent decades, many countries around the world have introduced or toughened legislation to protect whistleblowers/sentinels. In Canada, the federal government introduced the Public Servants Disclosure Protection Act (PSDPA) in 2006 and passed it in 2007. It claimed the act would afford "ironclad" protection for federal employees and touted the PSDPA as the Mount Everest of whistleblower protection around the world.

According to website www.fairwhistleblower.ca, the reality has been very different. "When [Federal Accountability Initiative for Reform] testified to Parliament, we predicted that the legislation would fail, but we could not have imagined how badly. A combination of flawed legislation and improper administration created a system that in three years uncovered not a single finding of wrongdoing and protected not a single whistleblower from reprisals. The commissioner appointed to protect government whistleblowers resigned in disgrace following a report by the Auditor General condemning her behaviour. The credibility of the entire system is currently in tatters: it needs a complete overhaul."

A recent Canadian example of a whistleblower paying the price involves career diplomat Brian McAdam. From 1989 to 1993, McAdam was an immigration control officer in Hong Kong, whose area of responsibility included southern China. His job



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was to protect Canada from international people-smuggling rings, murderers and drug-smuggling, organized criminals from China, Japan, Korea, Taiwan, Macau and Hong Kong, according to a 2008 *Ottawa Citizen* report.

“He discovered and painstakingly documented in more than 100 separate reports to his bosses in the Department of External Affairs infiltration and corruption at the Canadian consulate,” the paper said. “And he investigated individual members of the Triads — China’s powerful, Communist Party-connected organized crime gangs — [trying] to buy visas and smuggle its members and spies into Canada.”

At first his work was a huge success. His reports, which were used by the RCMP, kept out 5,000 organized criminals, according to Immigration Canada’s assessments, he says. “In addition, I stopped 2,000 illegal immigrants from getting to Canada, saving Canadian taxpayers at least \$25,000 for each refugee claim — or \$50 million,” the *Citizen* said.

Then he started to get death threats and other forms of intimidation. Things became worse when he reported the common practice of Canadian immigration officials accepting bribes in Hong Kong.

“He and RCMP Sgt. Clement kept writing reports on infiltration and corruption,” the *Citizen* reported. “By the end of McAdam’s four-year posting, he says, ‘maybe three or four people among the Canadian staff would speak to me.’ The 32 reports he sent Foreign Affairs in Canada, entitled Triads Entering Canada, ‘were received in Ottawa by total silence.’”

One day without notice, an External Affairs Department personnel director invited him to return to Canada to start an organized crime unit. Upon his return a colleague told him his career was toast. He was soon urged by the personnel department to take a retirement package because no one wanted to work with him.

McAdam took a job in Immigration where he was assigned to a project already completed. He knew then his career was over. A serious bout of depression ensued, made worse by something he had learned.

“One day, my contact in the Hong Kong police department phoned me. He’d intercepted a phone call from Mr. X [a Triad kingpin] talking to someone in the Immigration Department in Ottawa,” he told the *Citizen*. “That person said to Mr. X: ‘Don’t worry about McAdam and what he’s doing. We’ll take care of him.’”

It’s great that some official form of

protection exists for people who have the guts to come forth and expose fraud and corruption. But if the few people who do take that dramatic step continue to see that they will often severely pay for their courage, they will think many times before acting the way people such as Cliff Robertson, Jeffrey Wigand and Brian McAdam did, whether we call them whistleblowers or sentinels.

David Malamed, CA·IFA, CPA, CFF, CFE, CFI, is a partner in forensic accounting at Grant Thornton LLP in Toronto. He is also *CAMagazine*’s technical editor for Fraud



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