Whistle-Blower Protection Available under Dodd-Frank Reform

Leslie B. Fletcher
Entrepreneurs create jobs — not Washington

It’s no surprise President Barack Obama’s Jobs and Competitiveness Council missed the target for developing an effective jobs-creation plan in an announcement by Jeff Immelt, CEO of G.E. and Ken Chenault, CEO of American Express. After 90 days of work, Immelt and Chenault outline in the Wall Street Journal the council’s five-step plan of a “series of immediate, actionable steps to accelerate job creation” under the banner “How We’re Meeting the Job Creation Challenge.”

Their so-called “fast-action” five-step plan are these: “Train workers for today’s open jobs in advanced manufacturing; streamline granting of construction permitting; boost jobs in travel and tourism through improving visa processing; facilitate more small-business loans via quicker access of SBA funding; and put construction workers back to work.”

Actually, not one of the five recommendations will create jobs in the short run. They are not “immediate” nor “fast.”

This is no surprise, for most of the 26 members of the council are from big business with one exception, Darlene Miller of Pearson Industries, who has a small, but global business. They simply do not understand the nature of job creation.

Over the next 90 days the council will address “more significant, long-term areas of job growth,” according to Immelt. The next long-term areas are “a focus on fast-growth firms and small businesses; the need to make America the most attractive place on earth for high-tech manufacturing and service jobs; and to address the competitiveness of America’s infrastructure.”

It is no surprise the council is having a problem in addressing job creation; just where to start, what to focus on, and what is short-range or long-range. I discussed this problem in a BIS article when the Jobs Council was formed several months ago.

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Obama appointed the wrong group, mostly big business executives, for addressing a problem that Washington cannot solve: job creation. Entrepreneurs create jobs, not Washington, not big business and not the council. Perhaps the Jobs Council should come to Georgia and find out how jobs are created with new ventures. It may be a surprise to many, but Georgia and Nevada tied for the top spot for the highest rate of entrepreneurial activity in 2010, according to the Kauffman Foundation.

Both Georgia and Nevada came in at a 0.51 percent start-up rate, meaning that 510 people per 100,000 adults created new businesses each month during the year. This compares to the national rate of 0.34 percent start-ups, or with 341 individuals starting businesses throughout the U.S. Obviously, Georgia would be a good place for the council to look at job-creating business growth.

I suggest the council look at the Entrepreneur Advisor group in Atlanta, headed by Cliff Oxford and his extensive advisory team. Oxford and associates have built an effective educational and counseling platform for helping more than 250 fast-growth companies develop strategies that will accelerate growth of their businesses. A sound approach for existing businesses creates up to 70 percent of net new jobs in the economy, according to Kauffman.

While in Georgia, come by Savannah and talk to our FastPitch entrepreneurs.

A recent FastPitch Entrepreneurship Competition for identifying and assisting start-up companies was conducted in Savannah by The Creative Coast, Georgia Tech and Georgia Southern University.

More than 120 entrepreneurs responded with their new venture ideas. Forty-two of the most promising ideas were presented to the business community and investors for possible funding. A FastPitch program is important, for start-ups create up to 30 percent of the new jobs.

A soon-to-be announced Savannah company is taking a page out of Tom Friedman’s latest book “Hot, Flat and Crowded.”

Friedman says when sustainability is seriously acted upon in the U.S., this will cause a major economic transformation greater than the first Industrial Revolution.

Developing products and services for the green economy “is poised to be the mother of all markets,” according to Friedman.

This Savannah Internet-based firm will focus on creative “products of the future” — green products, sustainability products, technologically-impoved products, smart products and new ideas for clean energy, energy efficiency and conserva- tion of energy.

If you have product ideas in this area, please send them to me for consideration and I will have a relationship with this start-up venture. We encourage council members to visit Georgia, a national hub for entrepreneurial activities, a state where cities are identifying, and promoting entrepreneurship and a state where a large number of individual entrepreneurs are seeking to start their new ventures.

It is here, at the local level, where you will discover how start-ups really occur and how existing businesses can be encouraged to grow and create jobs.

Dr. Ervin Williams, Entrepreneur in Residence, Savannah State University, and author of “The Global Entrepreneur,” 2011 revised edition. Contact: Phone 912-399-2833, or email at ers@ervinwilliams.com.

Whistle-blower protection available under Dodd-Frank reform


This section, “Securities Whistleblower Incentives and Protection,” enables the U.S. Securities and Exchange Commission (the Commission) to pay awards to eligible whistleblowers. Dodd-Frank also provides protection from retaliation by employers to those individuals who submit securities information to the Commission.

To be eligible for a monetary award, whistleblowers must (a) voluntarily provide the Commission (b) original information about a violation of securities laws (c) in writing (d) that leads to the successful enforcement of a covered judicial or administrative action, or a related action resulting in monetary sanctions exceeding $1 million.

Whistle-blowers who choose to remain anonymous are required to submit their information to the Commission through an attorney.

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The final rules reflect the Commissioners’ consideration of public comments received on their initial proposal. Furthermore, whistle-blowers must meet the requirements of the implementing regulations of section 21F of the Act.


The final rules expand the number of possible violations included and the time frame over which the violations could occur. It also strictly delineates reporting procedures to ensure that only voluntary whistle-blowers meet the eligibility requirements for a monetary award.

Issue 2: What is the interaction between the section 21F whistleblower requirement and the existing whistle-blower requirements of a company’s internal controls and compliance procedures? The Commissioners decided not to require whistle-blowers to provide information internally through their companies’ compliance system to be eligible for an award.

However, the Commissioners did include incentives to encourage employees to first report internally. Whistle-blowers who report through their employers’ compliance system before reporting to the Commission may receive a lesser award. Conversely, those who interfere with their company’s compliance systems may receive a reduced award.

A second incentive credit its whistle-blowers with both their own original information and any additional information submitted by the company by their companies.

Numerous other issues were resolved in the final rules. To view them and the complete text of the regulation go to sec.gov/com- plaint/info_whistleblowers.shtm.