The Impact of External Whistleblowers on Uncovering Corruption: A Comparative Study

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Abstract

Through an original comparative framework as well as archival and pattern matching research methodology, this paper analyzes two important whistleblowing cases in Peru and South Korea. The study finds strong evidence to conclude that external whistleblowing is effective, mass media is a valuable tool for external whistleblowers, powerful allies and strong evidences are crucial factors for making whistle-blowing process easier, and external whistle-blowing works out even in the absence of sufficient legal protection. Nevertheless external whistleblowers experience severe retaliation when there is no proper legal protection. The findings of this study suggest that whistle-blowing is a crucial instrument to improve government accountability and transparency. Hence, it should be considered beyond national boundaries.

1 Both authors are equally contributed to write this paper.
**Introduction**

Whistleblowing can be defined as a disclosure of information by an employee or contractor who alleges willful misconduct carried out by an individual or group of individuals within an organization (Figg 2000). A whistleblower is a valuable information source that the government or the public cannot get from any oversight systems, because they are insiders of the organizations. They are most knowledgeable about what their agencies are doing. Therefore, whistleblowing is an effective way to improve government transparency and accountability (Jos 1991; Rosen 1998; Rosenbloom 2003).

Many studies about whistleblowing have been done through surveys, interviews, and case studies. These studies have delved into why employers do not want whistleblowing occurring (Lovell 2003; Miceli and Near 1984; Miceli, Near, and Schwenk 1991; Qusqas and Kleiner 2001), why whistleblowers blow the whistle (Applebaum, et al. 2006; Brewer and Selden 1998; Menzel and Benton 1991) and how whistleblowing influences government policies (Johnson and Kraft 1990).

However, most of these studies have mainly researched whistleblowing in the U.S. We can rarely find studies which have international and comparative perspectives. Through an archival research and a pattern matching analysis, this study thoroughly examines and compares two whistleblowing cases in Peru and South Korea, considering external whistleblowing, mass media effect, powerful allies and strong evidence, legal protection, and retaliation of whistleblowers. Along with these issues, we discuss what kind of factors are important to make whistleblowing effective or successful.
We first look at the previous studies about these issues and build theories. Next, we examine two whistle-blowing cases in Peru and South Korea and analyze these two cases through pattern matching. Finally we bring suggestions to improve whistleblower protection systems for each country.

Literature Review

External whistleblowing

An external whistleblower is a person who reports an organization’s illegal, immoral, illegitimate works to someone outside the organization. In contrast, an internal whistleblower reports wrongdoing to someone in the organization (Dworkin and Baucus 1998). There are some studies that compare internal whistleblowing and external whistleblowing. Through multiple case studies Dworkin and Baucus (1998) suggest differences between internal and external whistleblowing, such as, the fact that newly hired employees use external channels to report wrongdoing, and external whistleblowers experience a delayed firing but internal whistleblowers do not. They find that gender, tenure, and occupation are not related to internal and external whistleblowing.

Considering organizational environment, Rothschild and Miethe (1999) suggest that whistleblowers employ internal whistleblowing channels in more democratic and less bureaucratic organizations. They also find that external whistleblowers are older, earn less income and tends to have little skill and education. They also suggest that gender, age, race, educational attainment, and year in the job cannot save whistleblowers from retaliation (Rothschild and Miethe 1999). Analyzing survey data from a random sample of 8,500 employees, Miceli and Near (1984) suggest that internal
whistleblowers tended to be powerful members in their organization, and external whistleblowers were more likely found in nonsupervisory positions and to receive high salary despite their low education (Miceli and Near 1984).

Two researches found that external whistleblowing is more effective than internal whistleblowing. Rothschild and Miethe (1999) interview results show that “44% of the external whistle blowers thought that their organization had changed its practices as a result of their disclosure,” while only “27% of the internal whistleblowers thought that their organization had changed its practices as a result of their disclosure (p. 126.) Dworkin and Baucus (1998) suggest external whistleblowing is more effective than internal whistleblowing because external whistleblowing often sparked investigations or other remedial actions by the organization.

Effectiveness of Whistleblowing

Effectiveness or success of whistleblowing might be difficult to define clearly because there is no general standardization or criteria of this concept. Near and Miceli (1995) defined “the effectiveness of whistle-blowing as the extent to which the questionable or wrongful practice (or omission) is terminated at least partly because of whistle-blowing and within a reasonable time frame” (p. 681.) Dworkin and Baucus (1998) constructed a categorical variable for effectiveness of the whistle blowing. They suggest that “if the organization launched an investigation into the whistleblower’s allegations - on their own initiative or required by a government agency, or if the organization took steps to change policies, procedures, or eliminate wrongdoing” (p. 1289.) Ellison, et al. (1985) suggested that successful whistle blowing should have two
perspectives. The first is “did they achieve what they had in mind?” and the second is “did others, in some way, heed their warnings?” (p. 17.) These perspectives should employ a complete set of criteria for successful whistle blowing, such as raising one’s voice, getting action, a change of policy, compensation of victims, diminished risks, and a careful investigation. Although we introduce three definitions for effectiveness of whistle blowing, it is not easy to define as a clear sentence. In this article, we will use Near and Miceli (1995)’s definition of effectiveness because in both whistleblowing cases, the Peruvian and the Korean case, the misconduct was uncovered, prosecuted and punished.

**Mass Media and Whistle blowing**

Even though mass media plays an crucial role in the whistleblowing process, it is difficult to find specific research about mass media’s impact to whistleblwoing. The research by Callahan and Dworkin (1994), using data from two studies: Database of Merit Systems Protection Board (MSPB) and Professor James Perry ’s study, suggests that employees are likely to use media as an external whistleblowing channel, when there is no effective response to an internal report, when top level of management is involved in the misconduct, or when they fear retaliation from employers above the level of their supervisors (Callahan and Dworkin 1994).

Introducing a wildlife pathologist’s whistleblowing case, Ellison, Keenan, Lockhart, and Schaick (1985) pointed out several reasons why the media is a favorable channel to blow the whistle. First, the whistleblower could enojoy autonomy. Second, the media trusted his report because he has trustworthy documents. Third, he could release the information at appropriate time (Ellison, et al. 1985).
Powerful Allies and Strong Evidence

When whistleblowers have powerful allies and strong evidence of misconducts, their whistle blowing is more successful. Near and Miceli (1996) suggest that support of supervisors and quality of evidence are positively related to whistle blowing. And the possibility to choose external channels increased when the whistleblowers have better quality of evidence. Dworkin and Baucus (1998) have found that “external whistleblowers often have greater evidence or witness” (p. 1294). Sims and Keenan (1998) also suggest that supervisor support is significantly related to the choice of external whistle blowing. When a supervisor supports a whistleblower, the whistleblower has more chance to use external channels to blow the whistle.

Legal Protection and Whistle blowing

Providing strong legal protection to whistleblowers is important because whistleblower protection regulations can protect whistleblowers from retaliation of their employers or colleagues, and can change “organizational culture to view whistleblowing as a civic obligation and public virtue, rather than an insubordination, snitching, or tattling” (Rosenbloom 2003, 133). Whistleblower protection laws help to encourage whistleblowing by making a safer whistleblowing process and fostering a favorable environment to whistleblowers who disclose misconduct (Kaplan 2001).

Based on the detailed description of whistleblowing in the U.S., Israel, Russia, and India, Johnson (2004) suggests that “the presence of independent, fair, strong, and effective laws and law enforcement agencies” is one of most important variables to reduce
the levels of corruption in a country (Johnson 2004, 155). She also mentions that because
laws encourage whistleblowing and laws protect whistleblowers, even though these law
are not perfect, “Americans blow the whistle on waste, fraud, and abuse more than
anywhere else in the world” (Johnson 2004, 41).

Whistleblower protection laws are now becoming more popular in the
international scope. Around thirty countries have enacted national laws on whistle
blowing, even though, only a few countries have comprehensive laws on whistle
blowing, such as the United Kingdom, South Africa, the United States, Canada, and
Japan (Banisar 2006). Multi national organizations are becoming interested in
whistleblower protection too (Kaplan 2001). The United Nations Convention Against
Corruption, the Inter-American Convention against Corruption, the Council of Europe,
the African Union Convention on Preventing and Combating Corruption, the Asian
Development Bank, and the OECD have adopted whistleblower protection provisions in
different ways. But most of them are recommendations, nothing binding (Banisar 2006).

Kaplan (2001) suggests that even though the U.S. has a well-developed statutory
of whistle blowing, these laws are not a cure-all because many federal employees are
unaware of these whistleblower protection laws and the majority of federal civil
employees still fear retaliation after whistle blowing. To overcome this ignorance and
trepidation, education of employees, cultural change of organizations and top down
support should be accompanied with a keen whistleblower protection statutory to
decrease corruption (Kaplan 2001).

External Whistleblowers and Retaliation
External whistle blowing could be more effective than internal whistle blowing. However, external whistleblowers have experienced more severe retaliation than internal whistleblowers. Dworkin and Baucus (1998) found that external whistleblowers are more effective at changing an organization; however these people experience more considerable retaliation than internal whistleblowers. Rothschild and Miethe (1999) also suggest that retaliation against external whistleblowers is more common than that toward internal whistleblowers because external whistle blowing commonly brings adverse publicity of the organization. Because of adverse publicity, organizations use more comprehensive forms of retaliation against external reporting (Dworkin and Baucus 1998). Conversely, Near and Miceli (1996) found that whistleblowers release the misconduct outside of the organization because of the threatened retaliation and retaliatory environment.

**Hypotheses and Methods**

From the literature, we construct five hypotheses relating to external whistle blowing, effectiveness, mass media, powerful allies and strong evidence, legal protection, and retaliation.

The followings are five hypotheses.

1. *External whistlebowing is more effective than internal whistlebowing.*
2. *Mass media is important for effective whistle blowing.*
3. *Powerful allies and strong evidences can be crucial factors for effective whistle blowing.*
4. *Legal protection is important to protect whistleblowers.*
5. *External whistleblowers have experienced more severe retaliation than internal whistleblowers.*
Hypotheses 1, 2, and 3 explain what kinds of factors are important for effective whistle blowing. From the previous literature, we found that when whistleblowers blew the whistle using an external channel instead of an internal channel, especially mass media, and having powerful allies and strong evidences, the whistle blowing is more effective. Following Near and Meceli (1995)’s definition of effectiveness of whistle blowing, here effective whistle blowing means that a whistle blowing action terminates a wrongful practice, at least partly, in a reasonable timeframe. Hypotheses 4 and 5 are about legal protection and retaliation of whistleblowers. As we examined, legal protection is important to protect whistleblowers in a country and external whistleblowers experience more severe retaliation than internal whistleblowers.

We adopt a case study method to verify these hypotheses in the context of an international setting. A case study method is well suited to whistleblowing research because it can find conditional findings in detail and examine profound understanding of a cause and effect relationship (Jensen and Rogers 2001.) Case study analysis is valuable to understand dynamics of an occasion within single settings (Eisenhardt 1989.) Even though many scholars are suspicious about the usefulness of case study method, Jensen and Rodgers suggested that “case studies are an integral part of knowledge accumulation” (Jensen and Rodgers 2001, 244), and Rosenbloom has found that case studies can help practitioners understand “what to do and what to avoid; what works and what does not in specific circumstances” (Rosenbloom 1994, 44). Case study analysis also enables scholars to build concepts and theories of public administration research with systematic knowledge (Rosenbloom 1994). In particular, a multiple case study is often considered more convincing, and is regarded as more robust (Yin 1994).
We chose a case from each country. Considering the five hypotheses above, we selected two whistle blowing cases that caused a significant impact on government and society in each country. In Peru, we select Murarech’s whistle blowing case about an expensive fraud case in the Peruvian Customs Service. The impact of this case critically escalated to the high political levels in Peru: six ministers resigned and President Fujimori finally fled his country. In Korea, we chose Hwang Woo Suk’s academic misconduct scandal. The impact on government was not considerable as in Peru’s case, but this case strongly influenced Korean society. After the whistle blowing, the Korean society was totally shocked by Dr. Hwang’s academic misconduct and was separated into two groups who supported him and did not. For more than two months, Koreans could read or watch news everyday about him. By the end of 2004, South Korea was in totally chaos because of this whistle blowing case. In the next section, we will examine each case in detail.

Two Whistle Blowing Cases in Peru and South Korea

Whistle blowing case in Peru

Overview

On March 21, 1999, through Peru’s most popular political TV program, called “Panorama”, channel 5, the Minister of Labor of Peru, Jorge Mufarech, denounced a number of corruption cases in the Peruvian Customs administration amounting to millions of dollars. A week after the denunciation, the same TV channel broadcasted a video showing a customs manager receiving money from an importer in order to not prosecute the importer who committed extremely harmful customs fraud. This
corruption case created a big scandal and caused chaos in all of Peruvian society. It also had the effect of a bomb inside of the executive office of President Fujimori.

Albert Fujimori, who was reelected as the President of Peru for a second term from 1995-2000, and had always defended the honesty of his government to Peruvian citizens, was conducting a political campaign for his third presidential term. Because of this whistle-blowing case, his desire to become a president elected to his third term vanished. In April 1999, Fujimori redesigned his cabinet. The Minister of Labor, the Minister of the Presidency, the Minister of Health, the Ministry of Agriculture, the Minister of Justice, and the Ministry of Industry left the cabinet. Even though six ministries changed, it was not enough to calm the political storm. Since April 1999, a series of other videos showing corruption acts committed by high-level public officers was broadcasted through Peruvian TV channels. At the end of the year, the situation culminated in the escape of the President from the country. This corruption case was followed by a period of political instability in Peru and makes us aware of the implementation of procedures or regulations to deal with corruption in the public sector.

**Political Context of the Whistleblowing Case**

**Fujimori’s Government (1990-1999)**

Before examining the whistle-blowing case in depth, we would like to briefly introduce Fujimori and his government because this corruption seriously damaged him and his government. In 1990 Engineer Alberto Fujimori, who had not been in politics for long, was elected Peruvian president for his first term from 1990-1995. Before this career he was the director of the Universidad Nacional de Ingenieria – UNI (National Engineering University) and before the career he was devoted to his position as a
professor at the UNI and to a family engineering company. During his presidential campaign, he used to emphasize that he was not a politician and wanted to help Peruvian to succeed in the fight against poverty and corruption. Integrity, technology, and job were the most important keywords in his campaign. Peruvians were highly desired of these three things. They were tired of privatizations, which had not shown any effectiveness to develop the country and no effect on the increase of job positions – millions of Peruvians were jobless. Fujimori was elected with more than 50% of Peruvians support because his rival candidate was proposing more privatization and participation of businessmen in the government.

During 1990-1995, Fujimori reformed public organizations, including Peruvian Customs. In 1990 the tax collection of Peruvian Customs was less than 10% of the national revenue due to highly administrative corruption in the Customs organizations. After Fujimori government reform, tax collection represented more than 25% of national revenue in 1995. This increase partly showed the success of Fujimori’s government reform. His success of governmental reform and other economic changes made him get reelected to his second term.

During Fujimori’s second presidential term from 1995-2000, several political corruption cases were denounced by mass media, and Mr. Montesinos, Fujimori’s legal advisor, seemed to be involved in most cases. However, these denunciations were overlooked since there was no enough objective evidence to prosecute the high level public officials who were involved in the corruption cases. Even though the mass media had broadcasted more than 196 corruption cases in different public agencies, the Fujimori government did not investigate these cases. Moreover, Fujimori was continuously asserted that there was no corruption in his administration. Public
prosecutors and Congress did not try to investigate these cases because Fujimori and Montesinos did not want to inspect those agencies.

External Whistleblowing and the Media

Mufarech’s Whistle Blowing

On March 21, 1999, in a TV political program called “Panorama,” broadcasted by Channel 5, Jorge Mufarech, the Minister of Labor, denounced corruption cases in Customs, totaling about one million of dollars. He said that managers in Customs were involved in the corruption cases and that they formed a corruption network inside of Customs. Mufarech declared that he had documents and a video which supported his denunciation and that he got supporting documents for his denunciation from a public official in the Public Affairs office of the National Customs Headquarters (La Republica 1999 - B).

On March 28, 1999, Channel 5 broadcasted the video which shows that the head of Customs Audit and Enforcement was receiving money from a representative of a large import company which had numerous alleged customs fraud cases. The bribe was used to not prosecute the company for custom fraud. In the video, the Customs official appeared with having a short conversation with the representative of the company. The public official seemed very friendly with the representative, and he received a certain amount of money from the representative before the conversation ended; he then shakes hands with the representative (La República 1999, G and H). Mufarech’s denunciation and video were highly delicate. President Fujimori faced strong public pressure against his administration.
Political Impact of the Whistle Blowing

In the beginning of 1999, Fujimori was conducting his political campaign for the third term of presidency and at the same time implementing development projects to gain popularity. He was also trying to convince Peruvians that his administration was veracious. However, in the middle of campaigning, Mr. Mufarech made the denunciation about the corruption case in Customs. Therefore, Fujimori had to manage it quickly in order to prevent negative effect to his campaign. He wanted to ensure people that he had done all requisite things to thoroughly investigate the Customs corruption cases. He announced that “if investigations confirm Mufarech’s denunciation, the Customs officials who are involved the cases will definitely have to be suspended” (La República 1999 – C).

On March 22, 1999 Mrs. Carment Higahonna, the head of Peruvian Customs, declared to the media that if any public officials in the Customs were involved in the corruption, she would immediately punish them (La República 1999 – D). In the next few days, Mrs. Higahonna suspended the accused managers – the National Intendent of Custom Enforcement, the Head of Statistics Division, and the Head of Division of Customs Value Data Base (La República 1999 – E). Mr. Mufarech accused three more officials in the Customs for receiving bribes from customs brokers and importers: the Manager of Customs Enforcement, the Head of Division of Prevention of Customs Crimes, and the Head of Customs Audit and Enforcement (La República 1999 – F).

Mufarech had submitted to Cesar Alegre, an improvised Public Prosecutor a document entitled “Atestado Policial N 003-99 Aduanas(UIE),” written by the end of January 1999, on April 1, 1999. The document was about a contraband net in Peru. It showed specific information about very organized groups of people who committed
contraband in the southern region. According to the document, those people who imported contraband from Bolivia by using big trucks that were not inspected by the police or any customs officials. However, the document did not mention the Customs official’s name. The ad hoc Public Prosecutor asked further investigations (*La República* 1999 – I.) After receiving more documents from Mufarech, the improvised Public Prosecutor found that about 50 importers and public officials were involved in this case (*La República* 1999 – J.)

**Political Allies in Congress**

In Congress, Mr. Mufarech declared his accusations against several heads in Customs office on April 6, 1999. He affirmed that he submitted a more than one-thousand page document to the Public Prosecutor. The document was strong evidence of the corruption cases. After listening Mufarech’s arguments, the Congress decided to form three Enforcement Commissions in order to analyze Mufarech’s denunciation and determine responsibilities (*La República* 1999 – K).

**Political Consequences**

Mufarech’s accusation caused a serious crisis in the executive branch. Six Ministers, including the Ministry of Labor – Mufarech, resigned from their positions. Mufarech reluctantly left his office because of pressure from the executive (*La República* 1999 – M). Mrs. Higahonna, National Superintendent of Customs, declared to the press that she was willing to resign from Customs while the investigation was being conducted. She said that there was no corruption networking in the Customs organization. She blamed Mufarech because he damaged the good image of the Customs office and used news media to denounce the corruption case, instead of using an internal channel (*La República* –M and N.) On April 22, 1999, Mrs. Higahonna left the
National Superintendent of Customs (La República 1999 – O). The next day, the President appointed Mr. Jose Herrera Meza, Deputy National Superintendent, as a temporary National Superintendent of Customs (La República 1999 – P).

*Whistleblowers L & M: Woo Suk Hwang Case in South Korea*

**Overview**

Until November 2005, Woo Suk Hwang had been an outstanding scientist in South Korea, reputed as a "national hero" in South Korea and a "the world leader" in the stem cell research field (Park, 2005). He was the pride of Korea, who overcame his poor childhood, similar to most Koreans who were born in the 1950s, just after the Korean War ended, and succeeded as a brilliant leading scientist and professor in the biological science area, especially animal and human cloning. He and his colleagues published two landmark articles about human cloning in the Science journal, a renowned journal in the biological science field, in 2004 and 2005. The article in 2005 was a breakthrough in human cloning. Dr. Hwang and his research team produced 11 human stem cell lines through therapeutic cloning (Kolata, 2005). Scientists in the world praised them, mentioning "It is a tremendous advance," "The Koreans' work is incredibly impressive," and "It is a fantastic—a major breakthrough" (Alice Park & Christine Gorman, 2005).

Moreover, his cloned dog, "Snuppy," had been chosen Time's Most Amazing Invention of 2005 (Alice Park, 2005). Furthermore he got the Best Scientist Award in Korea on June 24, 2005, with a promise of a $15 million fund for five years from the

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Korean government (Han 2006), though the government abnormally had already invested $65 million in his research (Nicholas Wade, 2005).

His successful stories seem never-ending. No one knew he would be the most disgraced scientist in recent Korean history until his ethical violations and photo fabrications in his research were revealed by two whistleblowers and broadcasted by a television program in South Korea in December 2005. All oversight systems for scientific misconducts, such as the government, universities, and scientific journals, did not work properly at all, except whistle blowing.

**External Whistleblower and Mass Media**

In the midnight of June 1, 2005, Seung Ho Choi and Hak Soo Han (Han PD), program producers of "PD's Notebook," a weekly television investigative documentary program- in Munhwa Broadcasting Company (MBC) in South Korea- found an interesting post on the program's internet discussion board. The title was "About Professor Hwang." Intriguingly and unusually, the person put his specific private information - his name, work, and telephone number on the post (Han, 2006).

The person wrote that "I worked at professor Hwang's laboratory for few years. Dr. Hwang is a national hero and people respect him truthfully. You may not believe in my story about the articles published in the *Science*. I was really hesitated to write this story here because I don't have strong evidence and professor Hwang is one of the most influential scientists in Korea. After I tell the truth about his research to the public, Korea might lose international reputation in stem cell cloning field and I would be in danger. However, I believe that we cannot hide truth, and the reputation based on dishonesty should be vanished in a moment. Please contact me” (Han, 2006, 29).
After Mr. Choi and Han read this post, they decided to meet the person.

On June 3, 2005, Mr. Han met the person (after this, we will call him Whistleblower L) in front of the hospital where Whistleblower L was working. Whistleblower L said "Han PD, which is a priority, truth or national interest?" He paused for a while and kept saying. “I think the data in the article Hwang published in 2005 might be fabricated. From a professional’s point of view, it is almost impossible to make 11 human embryonic stem cells from patients’ cells yet, and the eggs used in the experiment were paid. I have a photocopied note about egg donors"(Han, 2006). Whistleblower L also said that “the teratoma photos in the figure 2 on the page 1,672 in the 2004 article were fabricated. Park Jong Huk, Kim Sun Jong, another researchers in Dr. Hwang's lab, and I knew about that. Dr. Hwang ordered and enforced us to do the fabrication."

Few days later Mr. Han met the other whistleblower, the wife of Whistleblower L. She also worked in Professor Hwang's laboratory and was one of co-authors in the article published in 2004. She (After this, we will call her Whistleblower M) said that some of the junior members of Dr. Hwang's laboratory donated their eggs.

If all things that two whistleblowers said are true, Dr. Hwang violated three ethical standards. First, he used eggs from someone who received payment, not volunteers. Second, he used eggs donated from junior members of his research laboratory. Third, he fabricated his data and photos to show advanced research results on two articles in Science in 2004 and 2005. All three things are serious ethical violations in the biological science field. Because the whistleblowers did not have strong evidence to show all violations, after the interviews, the whistleblowers and the TV program producers tried to find strong evidence of this scientific misconduct.
Unethical Egg Donations

After Han PD met the whistleblowers, he started examining the MizMed hospital where Dr. Hwang got eggs for his experiment. Han PD interviewed the people who sold their eggs, without any information about how their eggs will be used and side effect of egg extraction. He also found a medical record, showing that at least one of the donors was a junior researcher in Dr. Hwang’s laboratory (Han, 2006; Cyranoski, 2005). When Dr. Hwang interviewed with Time on February 23, 2004, he said that he and his colleagues found 16 female volunteers to provide their eggs and they were not paid. Also when Nature, a well-known biological science magazine, raised ethical questions about paying money to the egg donors and egg donation from junior members of the laboratory in May 2004, Dr. Hwang strongly confirmed that no members of his laboratory donated their eggs, and the International Review Board (IRB) of Hanyang University Hospital in Seoul supported his denial. (Cyranoski, 2004). Moreover, much of the Korean media endorsed his denial and the Korean government supported Dr. Hwang’s research with generous funding and making him a national hero (“Will,” 2005). However, Han PD found that Dr. Hwang lied to the people in the world and the Korean government who naively supported him without any suspicion.

Photo and Fingerprint Fabrications

To verify photo fabrication in the 2004 and 2005 articles, the Han PD team asked for samples of the stem cells for Dr. Hwang’s lab to do a DNA test which can show the identity between stem cells and patients’ cells (Lemonick, 2006). They found that both cells were not identical, meaning Dr. Hwang fabricated the stem cell photos in the 2005 article (Han 2006).
Han PD also visited the University of Pittsburg to interview Jong Huk Park and Sun Jong Kim, former researchers in Dr. Hwang’s lab. He wanted to make sure about photo fabrications in the 2004 article which Whistleblower L mentioned. These researchers worked at Dr. Gerald Schatten’s lab at the University of Pittsburgh from 2004, after the 2004 article was published. Dr. Schatten was one of co-authors in the article Dr. Hwang published in 2005. When Dr. Schatten was invited to Korea in 2003, he was surprised by the egg handling techniques of Dr. Hwang’s team. Since then, Dr. Hwang and Schatten cooperated with each other and continued a close relationship. Dr. Schatten helped Dr. Hwang publish the 2005 article in *Science*.

In the interview with Han PD, researcher Kim confessed that he knew about the photo fabrications and did the fabrications under Dr. Hwang’s direction. He said that “he should not have done the photo fabrication” (Han, 2006.)

Although the whistleblowers had not had strong evidences in the beginning, the TV program team helped to get enough evidences to prove Dr. Hwang’s misconduct in his research.

**After Whistle-blowing**

The program producers prepared two episodes about Dr. Hwang’s research misconducts. On November 22, 2005, the first episode, “Suspicious Egg Donation in Woo Suk Hwang’s Myth,” went on air. The episode presented the egg donor issues of Dr. Hwang’s research.

Two days after the program, Dr. Hwang admitted that two of his junior researchers donated their eggs and Sung Il Roe, one of his research partners, paid egg donors. He also announced that he would resign from the head position of the World
Stem Cell Hub, a newly established stem cell research institute in South Korea (Walsh, 2005)

After the TV program and Dr. Hwang’s press conference, people in South Korea were separated into two groups. One group composed of conservative media, the government, patients, and their families and the majority of people who strongly supported Dr. Hwang’s research with “outpouring nationalism and sympathy for the goals of Dr. Hwang’s stem cell research,” even though his research seriously violated ethical standards (Brooke & Choe, 2005). These people didn’t want to believe the evidence that PD’s Notebook program showed and some of them threatened the program producers by posting their families’ pictures on the internet. They also forced the companies that advertised their products in the PD’s Notebook program not to provide commercials. On November 26, 2005, all commercial advertisements for the program were cancelled (Han 2006). The citizens who support Dr. Hwang constructed a website community called “I Love Hwang Woo Suk.” These people started a candlelight demonstration in front of Munhwa Broadcasting Company (Brooke & Choe, 2005). Many Koreans still strongly believed that Dr. Hwang’s ethical violation was not serious, and the lapse was caused by cultural differences between Korea and the West (“Stem-cell,” 2005). Some conservative news medias found whistleblowers and visited their workplaces to do interview, and finally released their names to the public.

On the contrary, the other group consisted of many non-profit organizations, a few neutral and more radical news media, a young scientists’ internet community (Biological Research Information Center: BRIC), and some citizens who, shocked by the truth of Dr. Hwang’s research, tried to protect the PD’s Notebook program and whistleblowers, and find stronger evidence of Dr. Hwang’s fabrication. One of the
critical incidents happened on December 5, 2005, when the TV program producers had a difficult time since the general public threatened them, calling them betrayers of Korea, and all advertisements for the program were canceled. Moreover the government, which provided huge amount of money to Dr. Hwang’s research, also blamed them. To make the situation worse, one news media reported that Han PD interviewed the researcher at the University of Pittsburgh under pressure, threatening him to say harmful comments about Dr. Hwang. All of these situations led them to not broadcast the second episode about Dr. Hwang’s scientific misconducts. However, two anonymous scientists in the BRIC found fabrications of the stem cell photos and DNA fingerprints in the 2005 article and posted it in the BRIC’s internet bulletin board. Pressian, independent internet news media, immediately released the news. After this incident, 30 professors in the Department of Biological Science at Seoul National University asked the president of the University to investigate Dr. Hwang’s research. On December 12, an investigation committee was established and started examining Dr. Hwang’s researches. Finally, the second episode of the program about Dr. Hwang’s fabrication was broadcasted on December 15, 2005 (Han 2006).

**Consequences of Whistle Blowing**

The impact of this whistle blowing was huge on people who were involved in Dr. Hwang’s research. On December 23, 2005, Seoul National University Investigation Committee reported that Dr. Hwang had falsified data from 9 of 11 stem cell colonies, and used more eggs than the number he reported in the 2005 article (Wade, 2005). In January 2006, the committee’s final report said the committee panels found that DNA
fingerprints of stem cells in the 2004 article were also fabricated (Park & Kim, 2006). Conclusively, both papers were unconditionally retracted from Science on January 12, 2006 (Kennedy, 2006).

Dr. Hwang was fired from the professor position at Seoul National University and was charged with misusing and embezzling $2.96 million in government funds and private donations (“South,” 2006). Government prosecutors prepared fraud charges that could be punished by up to 10 years prison (Choe, 2006).

Because of this scandal, Ki Young Park, the President Advisor of Science and Technology and one of co-author of Dr. Hwang’s 2004 article in Science, (Shin, 2005) also resigned. Ms. Park was the most important person who provided thousands of taxpayers’ money to Dr. Hwang’s research without any suspicion (Shin, 2005). She was a bridge connecting between the government and Dr. Hwang. People were suspicious of her contribution to the 2005 article because she was trained as a botanist. When the Seoul National University Investigation Committee inspected her, she confessed that she did not contribute any effort to write the 2004 article (Lee 2007, 301).

Even though Dr. Schatten immediately ended the relationship with Dr. Hwang on November 13, 2005, after he learned of Dr. Hwang’s ethical violations and he did not know the fabrication until December 2005, he was accused of research misbehavior by an investigative team appointed by the University of Pittsburgh on February 10, 2006 because he lobbied hard to publish the paper in Science, without any substantial evidence of data (Wade, 2006).

The consequence of whistle blowing to the whistleblowers was very harsh. On December 6, 2005, Whistleblower L reluctantly submitted his resignation letter to the hospital where he worked. Even though the hospital was not directly related with Dr.
Hwang’s research, his boss forced him to resign from his position without convincible reasons. The reasons were that reporters from the media who wanted to interview him interrupted daily management of the hospital, and also the boss said they should be concerned about the Department of Science and Technology because the hospital is one of the government-owned hospitals. Whistleblower M also quit her job from a university institute. After they quit their jobs, they could not find any job yet. To help their financial situation, the BRIC asked for donations from their members and the public. The BRIC received about $10,000 from 179 donors from December 06, 2006 to December 12, 2006, and gave it to the whistleblowers (BRIC, 2006). Although the total amount of money was not enough for two adults to live on for a long time, this internet donation showed that many Koreans supported them.

Except this donation, the whistleblowers have not had any protection from Korean government and laws.

**Legal Protection of Whistleblowers in Korea**

In Korea, there is a sectoral law to protect whistleblowers, not a comprehensive law (Banisa 2006). Korean government enacted the Corruption Protection Act and established the Independent Commission Against Corruption to protect whistleblowers in 2001. Even though this law protects whistleblowers in Korea, Whistleblowers L and M cannot be protected by this law.

The act provides that all citizens, including public officials, can blow the whistle about public officials’ corruption to the Independent Commission Against Corruption with evidences (Corruption Protection Law, Chapter 3). There are two main reasons that they
cannot be protected through this law. First, the law does not cover external whistle blowing. The act provides that people who find corruption can blow the whistle only to the Commission (Corruption Protection Law, Chapter 3, 25)) and does not have any provision mentioning external whistle blowing. Second, Whistleblowers L and M did not have strong evidence, which can show violation of laws and financial damage of public organizations (Corruption Protection Act, Chapter 1 (3)). Even though Korea has whistleblower protection provisions under the Corruption Protection Act, these provisions are not enough to protect whistleblowers and have limitations.

Analysis

Table 1 provides comparisons of two whistle blowing cases in both Peru and South Korea. As we can see, there are some commonalities. In both cases, the whistleblowers blew the whistle using external channels, especially mass media, and the external whistle blowing was effective stopping the misconduct in a reasonable time frame. Both whistleblowers were also fired without convincible reasons. However, we can find some differences too. The whistleblower in Peru had powerful allies and strong evidence, but the whistleblowers in Korea did not have strong evidence in the beginning of the process, and did not have strong allies. Regarding legal protection, Peru does not have any legal protection for whistleblowers. Korea has a law, which has whistleblower protection provisions, but the law cannot protect the whistleblowers in this case.

Table 1: Comparisons of two whistle blowing cases considering five hypotheses
We analyze these two cases in detail considering five hypotheses.

*External whistle blowing is more effective than internal whistle blowing:* Using Near and Miceli (1995)’s definition of effectiveness of whistle blowing, both whistle blowing cases were effective. In Peru’s case, because of Mufarech’s whistle blowing, many government officials: six ministers (including Minister Mufarech at that time, had to resign) and many high level customs officials were suspended from their positions. President Fujimori also took action immediately. We could say that the wrongful practice was partly terminated and within a reasonable time frame. In Korea’s case, because of the whistle blowing, Dr. Hwang left Seoul National University and his articles were withdrawn. Officially he cannot do cloning research any more in Korea. Because these two whistle blowing cases were external, we could not fully confirm that external whistle blowing is more effective than internal whistle blowing. However, in Peru’s case, if Mufarech would have used an internal channel to stop the fraud, he may not have been successful because of political pressures from President Fujimori and his legal assessor Montesinos who had under control all the judiciary and most part of the Congress. Similarly, in Korea’s case, the reason the whistleblower blew the whistle to Mun Hwa Broadcasting Company was that Dr. Hwang had strong political power supported by the Korean President. The whistleblower tried to contact the new media.

<table>
<thead>
<tr>
<th></th>
<th>External Whistle-blowing</th>
<th>Effectiveness</th>
<th>Mass Media</th>
<th>Powerful Allies and Strong Evidence</th>
<th>Legal Protection</th>
<th>Retaliation</th>
</tr>
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<tbody>
<tr>
<td>Peru’s Case</td>
<td>External</td>
<td>High</td>
<td>Yes</td>
<td>Yes</td>
<td>None</td>
<td>No</td>
</tr>
<tr>
<td>South Korea’s Case</td>
<td>External</td>
<td>High</td>
<td>Yes</td>
<td>No</td>
<td>None</td>
<td>Yes</td>
</tr>
</tbody>
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27
instead of government agencies or Seoul National University. Therefore, we could suggest that external whistle blowing in these two cases were effective.

*Mass media is important for effective whistle blowing.* We can strongly confirm this theory. In both cases, the role of mass media was noteworthy and the effect of media was striking although there were some negative issues in Korea because of the power of the media. In Peru’s case, “Panorama” in Channel 5, a political TV program, first broadcasted Mufarech’s denunciation and then one week after released the video that captured the Head of Customs Audit and Enforcement receiving bribes from a representative of an importing company. People were very shocked by watching the corruption committed by a Custom’s official on a popular-political TV program. This was the first time Peruvians were watching on TV a video showing a real public corruption (it was not fiction but the crude reality.) The program was very effective to let people know about the issue and expedited Fujimori’s quick response to the corruption in order not to lose his popularity for third presidential term. In Korea’s case, the “PD’s notebook” program played a main role in the whole process of whistle blowing. In the beginning, the whistleblower did not have strong evidence of Dr. Hwang’s misconduct. The program producers found substantial evidences of Dr. Hwang’s misconducts with the whistleblowers. Because of the media’s power, which can be spread to everywhere in short time, the program had a huge impact on people in Korea and worldwide even though the producers were threatened by the supporters of Dr. Hwang’s research, and the program was almost ended. In both cases, mass media was very important for effective whistle blowing.

*Powerful allies and strong evidence can be crucial factors for effective whistle blowing.* This hypothesis can be partly confirmed. In the case of Peru, Mufarech had strong
evidence which showed the moment of the corruption committed by a Customs official and the video was very important to proceed with his whistle blowing process. He also had many documents that provided important information about contraband net in Peru. Furthermore, Mufarech had strong political allies in Congress (mainly from the opposition to Fujimori’s political party) who eagerly supported his investigations. Hence, the strong evidence of the corruption was very crucial factors for the successful whistle blowing in Peru. However, in Korea’s case, Whistleblowers L & M had only a notebook about egg donors, and suspicion of data fabrication in the 2005 article. They knew about the photo fabrication of the article in 2004 and junior members’ egg donation but they did not have any substantial evidence to prove these misconducts. Therefore, we could not fully agree with this hypothesis even though the TV program producer later found all the evidence to prove Dr. Hwang’s misconduct.

*Legal protection is important to protect whistleblowers.* Legal protection is important to protect whistleblowers. The legal systems in both Peru and South Korea did not protect the whistleblowers for different reasons. In Peru, there is no legal protection system to protect whistleblowers, and Korea’s whistleblower protection law did not apply to the whistleblowers in this case. Because of a lack of sophisticated legal protection, the whistleblowers in these cases were fired without understandable reasons. We suggest that the Peruvian government should enact a law to protect potential whistleblowers for government transparency and accountability and Korean government revise the law to protect not only internal whistleblowers but also external whistleblowers.

*External whistleblowers have experienced more severe retaliation than internal whistleblowers.* Because these two whistle blowing cases are about external whistle
blowing, we could not fully confirm this hypothesis. However, the whistleblowers in both cases had experienced severe retaliation. Mufarech in Peru’s case had to resign to his office and Whistleblowers L and M in Korea’s case lost their jobs. One of the fundamental conclusions of this retaliation might be that both countries do not have adequate legal protection for external whistleblowers.

Conclusion

Whistle blowing is not the only story in Western developed countries. As we can see in these two cases of Peru and South Korea, whistleblowers played an important role in finding government fraud in a developing country or academic misconduct in an East Asian country. From these two whistle blowing cases, we found several implications. External whistle blowing is effective, and the role of mass media is important to make successful whistle blowing. Legal protection is essential to protect whistleblowers from retaliation. If we do not have a strong legal protection system, external whistleblowers have experienced severe retaliation, such as loss of office or job and lose of professional reputation. When a whistleblower has strong evidence and powerful allies, the process would be easier than when a whistleblower does not have enough information.

Even though we found some commonalities of both cases in Peru and South Korea, we might not generalize the results of this study because these cases are not randomly chosen and we have only two cases. But, what we propose to do from this research is to show the importance of whistle blowing and how it works in developed or Eastern countries. For the future study, we recommend to do meta-analysis with more number of cases from other countries. The meta-analysis could compensate generalizability issue (Jensen and Rogers 2001).
Reference:


in South Korea perfected a cloning technique that is likely to transform medical research around the world *Time Magazine*.


