







Compliance During Crisis

During times of organizational stress, individuals may be struggling under the weight of enormous challenges, pressure, and fear. In times like this, it is imperative that in-house counsel and compliance professionals reinforce corporate culture.



Tips for maintaining corporate culture

Issues that arise during times of crisis are often viewed by prosecutors, regulators, whistleblowers, and plaintiff attorneys through a different lens later in time when situations have calmed. This pandemic does not excuse illegal conduct. Companies need to have proper controls, continuous risk-based monitoring, reinforced tone from the top, and regular guidance to your employees to ensure you demonstrate a commitment to fraud prevention. We leverage our experience to help you assess risk and improve compliance.

-  **Tone at the top** Employees' nerves and anxiety can be eased by well-timed calls and emails from senior leadership. Acknowledge the challenges that exist but remind everyone of the company's long-standing and continued commitment to a culture of ethics and compliance.
-  **Hotlines** Most companies have hotlines that employees, vendors, and customers can use to anonymously report concerns. Send regular reminders about the hotline and include it in each communication. This reinforces that compliance is a priority and violations won't be tolerated.
-  **Trust but verify** Many employees are demonstrating an incredible work ethic in this very challenging time. However, pressure is at its peak, and companies should consider putting additional procedures in place to address areas where they are most vulnerable.
-  **Continue to conduct investigations** It is incredibly challenging to conduct investigations during this crisis, but you need to do it. People need to see that investigations are being performed, conclusions are being drawn, and employees are being held accountable for improper behavior.
-  **"Regular" check-ins** Schedule regular meetings with field personnel while they are at home. This is an excellent opportunity to reinforce the compliance initiatives in place and learn what challenges your teams are facing.
-  **Post crisis testing** Engage a third-party firm to perform targeted procedures to uncover any questionable activity through a risk-based approach. Areas of focus should at a minimum be product pricing, sales cut-off, new vendors, payroll, and inventory shrinkage. In the event of a whistleblower or other action companies can demonstrate that it took proper actions and didn't turn a blind eye.

Kristofer Swanson, CPA/CFF, CFE, CAMS
Vice President & Practice Leader, Forensic Services
+1-312-619-3313 | kswanson@crai.com

Peter Resnick, CPA/CFF, CFE
Vice President, Forensic Services
+1-617-425-6587 | presnick@crai.com