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# Flexibility within a framework: Conducting effective internal compliance investigations

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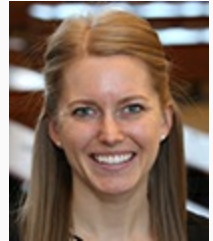
### Introduction

Organizations often uncover allegations of internal misconduct, such as violations of the law or the organization's internal rules, policies, or procedures, from any number of sources within and outside of its four walls. Unfortunately, organizations often lack seasoned investigators and/or a well-documented internal investigation approach to reliably respond to the alleged misconduct. This often results in ineffective and inefficient investigations, which lead to a lack of meaningful lessons learned to prevent future misconduct. How an organization navigates alleged misconduct can affect its reputation and standing as much as, if not more than, the alleged misconduct itself. Increased federal and state law enforcement interest in corporate compliance across many industries warrants organizational leaders to evaluate their internal investigation approach (if any) and use it to help define the organization's culture of compliance.

**This article does not constitute legal advice;** it should be used as a guide to conduct effective internal investigations. Every internal investigation will present unique issues, facts, and circumstances. Having a framework to operate within will provide an organization the flexibility to tailor the internal investigation strategy and proactively address common challenges to conducting internal investigations.

### Know when to investigate

Investigations help demonstrate an organization's ability to develop internal controls to monitor adherence to applicable statutes, regulations, and program requirements. An internal investigation is often warranted when there is a credible report of wrongdoing or misconduct. The depth and breadth of an investigation will vary depending on the allegation to judiciously use limited time and resources. An organization may have a statutory duty to investigate depending on the nature of the alleged misconduct. Even where there is no duty to investigate, it may be advantageous to do so to qualify for a "cooperation credit" when the inception of the investigation is due to a government inquiry. Additionally, the credibility of the information received and the type and history of the organization, such as those that are publicly traded or closely regulated, may help in deciding whether to investigate. Ultimately the decision to conduct an internal investigation should not be made in a vacuum, and all benefits should be weighed against the risks, including but not limited to the cost, business disruption, and discoverability of records related to the investigation.



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