

CEP Magazine – September 2023



Gerry Zack (gerry.zack@corporatecompliance.org, twitter.com/gerry_zack, [linkedin.com/in/gerryzack](https://www.linkedin.com/in/gerryzack)) is CEO of SCCE & HCCA in Eden Prairie, Minnesota, USA. Please feel free to contact Gerry anytime to share your thoughts: +1 612.357.1544 (cell), +1 952.567.6215 (direct).

Two issues for each call?

by Gerry Zack, CCEP, CFE, CIA

Hotlines are an incredibly valuable tool for identifying compliance issues and many other problems. Every organization should have a system for people to report—either anonymously or with reporter identification.

But many organizations overlook a rather obvious factor present in many hotline cases, even when the hotline information was valuable and culminated in an effective investigation: Is this really the second or third attempt by the reporter to bring this matter to our attention? Did the reporter previously bring the concern to our attention by reporting it to their manager or some other in-person channel, only to have it go nowhere from there?

We'll take all the useful information we can get through a hotline. But wouldn't it be an even better sign for our organizational culture if people felt comfortable reporting things to their managers? Outside of instances where the manager is the problem, the consensus among most compliance and ethics professionals is that we'd rather have a culture where employees feel comfortable speaking directly with their manager when they see something troubling in the department.

So, even if the information received via the hotline is accurate and helpful, asking whether the issue has been reported beforehand can provide insight into our culture. And if it hadn't been reported to a manager, why not?

And this leads to another, even more critical, issue. What does it mean if the reporter tells us they reported it to their manager earlier, and the manager did nothing about it?

This is the more important reason for asking whether the issue was previously reported. Managers should be trained to take compliance matters seriously when they hear about them and to know what the expected follow-up steps are supposed to be. And if we find out a manager is not meeting these expectations or in some way neglecting the need to follow up on a reporter's concerns, we need to investigate the manager.

It's possible the manager inappropriately dismissed the matter hastily without following up sufficiently. This isn't good, but it could be worse. The manager may be complicit in the reported activity or is at least benefiting from it. Either way, there is follow-up to be done.

This publication is only available to members. To view all documents, please [log in](#) or [become a member](#).

[Become a Member Login](#)
