

CEP Magazine – August 2024



Gerry Zack (gerry.zack@corporatecompliance.org, x.com/gerry_zack?lang=en, linkedin.com/in/gerryzack) is the 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).

Is your reporting system worth \$1 million?

By Gerry Zack, CCEP, CFE, CIA

Answering the question of how much money a compliance and ethics program saves an organization when there's been a violation is often a very difficult task, which presents a challenge in defending the investment in a program. We know a well-designed program can result in a reduction in fines and penalties. However, in large cases, there are often many other aggravating and mitigating factors that make isolating the effect of the program almost impossible.

Smaller, less complicated cases sometimes provide better examples, such as an Office of Foreign Assets Control (OFAC) sanctions case from August 16, 2023.^[1] In this case, a U.S. building materials company with a subsidiary based in the United Arab Emirates (UAE) violated OFAC sanctions on Iran. Two managers with the UAE subsidiary imported materials from the U.S. and then knowingly reexported them to Iran in violation of the company's policies and sanctions regulations.

This document is only available to members. Please log in or become a member.

[Become a Member Login](#)