

Two New Surveys Help Companies Focus on Enhancing Internal Investigations

Two newly released surveys from Consilio and KPMG find many of their corporate respondents count internal investigations as a top priority.

By Sue Reisinger

Consilio managing director Roger Miller tells the story of one corporate client that received an accusation about an employee who was sexually harassing others. Company investigators applied contextual analytics to the employee's emails, and within minutes had evidence so conclusive that the worker was immediately dismissed.

Miller said that's just one example of how using the latest technology can help internal investigators find the facts faster and at a much lower cost than other methods.

It is also another way that using tools, not just applying rules, is helping companies enhance their compliance programs. Two recent studies from separate organizations confirm that most companies are handling investigations internally



Courtesy photos

(L to R) Roger Miller of Consilio and Amy Matsuo of KPMG

and are making use of technology to do that.

Miller's Consilio, a legal services consultancy, released **survey results** Wednesday showing that over 66 percent of legal professionals surveyed said their companies handled investigations internally. Another 28 percent said their companies also use

an external law firm, while 16 percent bring in consultants.

The survey involved 138 legal professionals from in-house law departments, law firms and government-affiliated entities that were attending the ALM-hosted Legal-week conference in New York City in January.

Respondents at 72 percent cited fraud among the most common types of investigations at their company. This was followed by nonfinancial “bad behaviors” including discrimination at 60 percent, intellectual property theft at 52 percent, and sexual harassment at 51 percent.

Of the sexual harassment figure, Miller said, “It would have been very interesting to see what that number was a year or two ago” before the #MeToo movement. He said having the right technology to detect workplace misbehavior as well as financial fraud is critical for compliance departments today.

For general counsel, Miller said the survey “shows the ever increasing need to use more advanced technology for investigations into known issues and to proactively determine risk, in an era of ever-increasing digital data.”

The second survey was a new **ethics and compliance study** by KPMG, which found that enhancing internal investigations is the No. 1 priority across all industries. Over

200 compliance professionals across all industries participated in this survey.

KPMG released only glimpses of its study results, saying the rest would be available in the spring. But it also issued a white paper to guide general counsel and companies in strengthening internal investigations as well as their risk controls.

Amy Matsuo, national leader of KPMG’s U.S. regulatory insights practice, told Corporate Counsel, “There is a growing consensus across all industries of key areas to focus and enhance, specifically ethics and investigations.”

She said 65.5 percent of respondents said they wanted to upgrade their internal investigations and tools, including hotlines. Another 65 percent wanted to enhance monitoring and testing to become more proactive, rather than reactive.

Matsuo said the survey showed the importance of technology to better drive consistency in triaging, integrated case management and investigation resolution. Key enhancements

would include more deeply analyzing root causes of misconduct and spotting trends earlier.

For Matsuo, the most helpful technology for investigations is integrated case management, but she envisions increased use of newer programs using artificial intelligence in the next several years.

The survey showed that most companies have a centralized investigative unit that coordinates with other groups such as the general counsel and human resources.

It also found that most organizations report data at least annually to their board of directors assessing ethics and compliance effectiveness as well as systemic risks.

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