

For Immediate Release

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**Legal and Ethical Violations Risks Seen Rising,  
But Not Resources to Control the Risk**

***Survey conducted by the Society of Corporate Compliance and Ethics and Health Care Compliance Association***

Minneapolis, MN---January 6, 2009 --- A survey recently conducted by the Society of Corporate Compliance and Ethics (SCCE) and the Health Care Compliance Association (HCCA) reveals that the declining economy may be increasing the risk of legal and ethics violations in business. In addition, this increased risk is occurring at a time when budgets to manage those risks are expected to at best hold steady, if not decline.

The survey, based on an online questionnaire completed by more than 600 compliance and business ethics professionals, showed that 85% feel that the current economy greatly or somewhat increases the risk of compliance and ethics failures. So pervasive is the perception that only 1% took the contrarian view and felt that the legal and ethics risks might decline in this period, and not one respondent felt that the risk of compliance and ethics failures had greatly decreased.

The fear of increased risk was greatest among those outside of the health care industry, where 48% felt the risks were increasing greatly, compared to 30% for health care compliance professionals. According to Roy Snell, the CEO of both SCCE and HCCA, "The difference is to be expected since health care tends to be less impacted by changes in the economy than business as a whole."

The Society of Corporate Compliance and Ethics and Health Care Compliance Association are non-profit membership organizations serving ethics and compliance professionals across industry and in approximately 25 countries.

**Warning of Future Corporate Scandals**

In what may be a warning sign of future corporate scandals, despite the increase in perceived risk, survey respondents were far more likely to believe that their budgets and staffing would decline rather than increase. Forty-nine percent felt their budget would stay about the same, and 69% thought the same of staffing. But 36% felt their budgets were likely to decline and 21% are anticipating reductions in staffing. This compares to just 16% who expect an increase in budget and 11% who anticipate a staffing increase.

In terms of their own job security, 22% felt that their job was somewhat or much more at risk than the jobs of their peers in their organizations, and 44% were "not at all" concerned about losing their job as a result of the current economy.

"There's good and bad news here," observed Snell. "We're finding that companies are increasingly seeing compliance and ethics as an integral part of their business and not a

luxury to be discarded during an economic downturn. But, at the same time, we're seeing stagnant budgets or potential declines in resources at a time of increased risk for failures. That's creating a gap that could prove to be a dangerous chasm for business to cross.

“A very real concern for compliance professionals is that some may interpret or blame future failures on poor performance of compliance and ethics programs, rather than on level-funding or decreased funding at a time of need. There needs to be a real understanding of the risks created in these uncertain times and what it will take to meet those risks,” added Snell.

The complete survey can be accessed at [www.corporatecompliance.org](http://www.corporatecompliance.org) or [www.hcca-info.org](http://www.hcca-info.org).

### **Contact SCCE and HCCA**

The SCCE and the HCCA are located at 6500 Barrie Road, Suite 250, Minneapolis, MN. Visit the SCCE Web site at <http://www.corporatecompliance.org> or call toll-free 888 277 4977 or +1 952 933 4977. Visit the HCCA Web site at <http://www.hcca-info.org> or call toll-free 888 580 8373 or +1 952 988 0141.

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