

# **RUNNING EFFECTIVE** **INTERNAL INVESTIGATIONS**

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**To investigate or not to investigate?**

- ✓ **Not investigating means taking a risk:**
  - ✓ **The risk of being told later on: ‘You should have known!’**
- ✓ **This risk cannot be mitigated by investigating everything.**
- ✓ **It needs to be addressed through a formal assessment system of allegations and suspicions.**
- ✓ **In most cases, a middle way can be found between doing nothing at all and conducting a full fledge investigation.**

- **Main features of a robust assessment system:**
  - ✓ **Defined and formalized in advance**
  - ✓ **Discussed and approved by stakeholders at the proper governance level**
  - ✓ **Provides objective criteria to support a professional judgment**
  - ✓ **Contain a (non exhaustive) list of options to chose from as possible actions**
- ✓ **Objective of the assessment methodology:**
  - ✓ **Ensure an independent and competent assessment**

- **Content of an assessment methodology:**
  - **Predefines assessment workflow**
  - **Predefines the information that should be taken into consideration in the decision**
  - **Predefines the possible outcome of the assessment**
  - **Predefines the priority rating of the concern**
  - **Identifies templates to be used in each scenario**

- **Possible outcome of an assessment**
  - **Discard the concern as irrelevant**
  - **Investigate the transactions subject to the allegation/suspicion**
    - **The assessment process defines the scope of the investigation to be conducted**
  - **In between, many other possible options, among which:**
    - **Asking another department (Security, Purchasing, etc.) to perform some checks**
    - **Asking Internal Audit to include the targeted transactions in the scope of their next engagement**

➤ **Real life examples:**

- ✓ **Anonymous email from “whistleblower123@gmail.com” addressed through the hotline:**

**‘You should not trust the management of the subsidiary in country XXX. They are feeding you lies. You should investigate ASAP !!!!’**

- ✓ **Communication received from Mr. Z. owner of a service provider of a plant located in country XXX:**

**‘I was asked by your employee John Smith to commit to pay a commission on all further payments received from your company, in exchange from being selected as preferred vendor in the last tender’**

➤ **Main take away:**

- ✓ **Document your decision making process**
- ✓ **Document the thought process and rationale for each decision made**
- ✓ **Always consult**
- ✓ **Always be ready to reopen/reassess a case based on new developments**
- ✓ **Deciding not to investigate does not mean you cannot issue a recommendation**