



One Firm Worldwide<sup>SM</sup>



## INTERNAL INVESTIGATIONS AND CORPORATE COMPLIANCE

Knowledge or suspicion of criminal conduct within an organization may surface before or after the government commences an investigation. The existence of grand jury subpoenas; allegations of employees, customers, or competitors; the results of a compliance or internal audit—all can require a company to determine whether there has been potentially criminal conduct within an organization. In such cases, and especially in light of the Sarbanes-Oxley Act, Federal Sentencing Guidelines, and Department of Justice practices, frank assessment of the scope and nature of the conduct and evaluation of the possible advantages and disadvantages of self-disclosure to the government of wrongdoing are

essential to achieve the best outcome for the organization. Jones Day's experience allows us to conduct thorough and discreet internal investigations to assess the risk of liability to the organization and its employees. Such investigations give management the tools to understand what has taken place and to decide upon appropriate courses of action. The range of response includes formulating the best possible defense to accusations of misconduct and deciding whether and how to voluntarily disclose criminal conduct to the government, whether to discipline those responsible, whether to waive or retain the attorney-client privilege with respect to the matters under investigation, how to conduct interviews of



Jones Day lawyers have extensive experience in conducting internal investigations for companies and their boards' audit and special committees. Our approach is to investigate the facts through an investigation designed to minimize disruption; assess frankly the nature and scope of the conduct; and provide advice and counsel to management and boards on appropriate courses of action.

management and employees as well as whom to interview, how to treat whistleblowers and cooperating witnesses, how to document the investigation, and how to implement measures to prevent recurrence.

Jones Day lawyers have extensive experience in conducting internal investigations for companies and their boards' audit and special committees. Our experience and industry knowledge allow us to investigate allegations thoroughly, in a manner that allows management to make timely decisions. In rendering advice and counsel, we consider not only the issue of immediate concern, but also the strategic and tactical options and the numerous factors that can impact the organization's choices, such as the preparation for defense of the company or company employees, possible self-disclosure to the government to limit the organization's liability, the effect on regulatory oversight and authorizations, ramifications for private and state attorney general civil class action litigation, the effect on directors' and officers' insurance and, of course, the impact on the entity's business.

Many of the partners in Jones Day's Corporate Criminal Investigations Practice are former federal prosecutors who, while in government, focused on investigating allegations of sophisticated white-collar crime, followed by many years of private-sector defense and internal investigation work. Using the skill, insight, and discretion that they developed while investigating and prosecuting, and later defending, allegations of fraud and related conduct involving RICO, antitrust, securities, accounting, government contracts, the health-care industry, import/export regulations, and many more subjects, Jones Day attorneys have built a solid track record of internal investigations that enables clients to resolve problems in the most appropriate, cost-effective, and least intrusive manner.

In recent engagements, in the wake of Sarbanes-Oxley and the cases that led to the creation of that law, Jones Day conducted internal investigations of and/or represented companies or their officers, their boards, and their audit or special committees in matters that touched on a wide range of alleged accounting-fraud issues. These allegations have included revenue recognition and other accounting issues, officer self-dealing, and commercial bribery.

Many of our recent representations have included responding to, negotiating with, and litigating against the SEC on issues relating to the accuracy of financial statements, controls, disclosure, accounting fraud, and trading violations. The breadth of our practice, from corporate criminal investigations to public-company representation and securities litigation, has made Jones Day intimately familiar with the practices and positions of the SEC, as well as those of the U.S. Department of Justice (Criminal, Civil, Environment and Natural Resources, Tax, and Antitrust Divisions), the states' attorneys general, the U.S. Commodity Futures Trading Commission, and other law enforcement and regulatory organizations that may become involved when accounting fraud is alleged.

## ADDITIONAL INFORMATION

For additional information regarding our Corporate Criminal Investigations Practice, please contact your principal Firm representative or one of the lawyers listed in this publication. General email messages may be sent using our "Contact Us" form, which can be found at [www.jonesday.com](http://www.jonesday.com).



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## LAWYER CONTACTS

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### ATLANTA

1.404.521.3939

Richard H. Deane, Jr.  
rhdeane@jonesday.com

### CHICAGO

1.312.782.3939

Theodore T. Chung  
ttchung@jonesday.com

Daniel E. Reidy  
dereidy@jonesday.com

### CLEVELAND

1.216.586.3939

Jonathan Leiken  
jleiken@jonesday.com

Stephen G. Sozio  
sgsozio@jonesday.com

James R. Wooley  
jrwooley@jonesday.com

### DALLAS

1.214.220.3939

George T. Manning  
gtmanning@jonesday.com

### LOS ANGELES

1.213.489.3939

Brian O'Neill  
boneill@jonesday.com

Brian A. Sun  
basun@jonesday.com

### NEW YORK

1.212.326.3939

Charles M. Carberry  
carberry@jonesday.com

### SAN DIEGO

1.858.314.1200

Robert S. Brewer, Jr.  
rsbrewer@jonesday.com

Randy S. Grossman  
rsgrossman@jonesday.com

Karen P. Hewitt  
kphewitt@jonesday.com

### SAN FRANCISCO

1.415.626.3939

Martha Boersch  
mboersch@jonesday.com

### WASHINGTON

1.202.879.3939

Peter J. Romatowski  
pjromatowski@jonesday.com

R. Christopher Cook  
christophercook@jonesday.com

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