



Tricia Fratto, Co-Founder & General Counsel, Ethics Suite

- **Over 15 years of legal experience focused on internal and government-facing investigations**
- **Former Director of Investigations for global lodging company with almost 180,000 employees in more than 100 countries**
- **Practiced at two of the world's largest law firms as a white-collar litigator**



WASHINGTON D.C.

Company Hotline & Incident Management Benchmarking

OCTOBER 2, 2019



THE ^{HL}HOSPITALITY LAW _{HL}CONFERENCE SERIES 2.0



Why Offer a Hotline?

Public companies:

- Sarbanes-Oxley

Public and Private companies:

- Dodd Frank
- Patient Protection and Affordable Care Act amends the Fair Labor Standards Act
- OSHA



Research:

- Georgetown University Study - *Evidence on the Use and Efficacy of Internal Whistleblowing Systems*
- Association of Certified Fraud Examiners - *2018 Report to the Nation on Occupational Fraud and Abuse*
- Navex Global - *2019 Ethics & Compliance Hotline Benchmark Report*
- Ethics & Compliance Initiative (ECI) – *Global Business Ethics Survey™*



Program Benchmarking

Hotline Tracking

- Median number of reports remains at same levels as 2016 and 2017 at 1.4 reports per 100 employees

All Sources:

- Median number of reports is 2.1 reports per 100 employees

Intake Method:

- Web and Other clearly overtaking hotline



Reports of Harassment increased 18% from 2016 to 2018

- EEOC number of reports also increased 12%

Case Closure Time

- Median of 40 days

HR-Related Reports

- Vast majority of reports

Substantiation Rates

- All categories of reports have a substantiation rate at or more than 40%
- Regardless if anonymous or named reporter



Retaliation

Slight increase in internal reporting

- Increase in external reporting (e.g., regulatory agencies)