DUFF & PHELPS

Protect, Restore and Maximize Value

Quarterly U.S. Regulatory Roundup

First Quarter 2019

INSIDE

Duff & Phelps In The News

Chris Lombardy, Managing Director and Head of U.S. Compliance Consulting was featured in Corporate Compliance Insights. In his article, "How Defensible Is Your Compliance Approach?," Chris discusses the SEC Office of Compliance Inspections and Examinations' (OCIE) 2019 Examination Priorities and the compliance-related complexities for SEC-registered firms.

Daniel Hartnett, Associate Managing Director in Compliance, Risk and Diligence published an article "Third-Party Due Diligence to Mitigate Risks Posed by Overseas Defense Contractors". In his article, Daniel discusses how The Department of Defense and its prime defense contractors can minimize and possibly eliminate risks through rigorous due diligence screening.

SEC

SEC Adopts Rules to Implement FAST Act Mandate to Modernize and Simplify Disclosure

March 20, 2019

The Securities and Exchange Commission (SEC) voted to adopt amendments to modernize and simplify disclosure requirements for public companies, investment advisers and investment companies. These amendments are expected to benefit investors by eliminating outdated and unnecessary disclosure and making it easier for them to access and analyze material information.

The amendments, consistent with the SEC's mandate under the Fixing America's Surface Transportation (FAST) Act, are based on recommendations in the staff's FAST Act Report as well as a broader review of the SEC's disclosure rules. The amendments are intended to improve the readability and navigability of company disclosures, and to discourage repetition and disclosure of immaterial information. Specifically, the amendments will, among other things, increase flexibility in the discussion of historical periods in management's discussion and analysis; allow companies to redact confidential information from most exhibits without filing a confidential treatment request; and incorporate technology to improve access to information on the cover page of certain filings.

SEC

2019 Examination Priorities of SEC Office of Compliance Inspections and Examinations

December 20, 2018

The Office of Compliance Inspections and Examinations (OCIE) of the U.S. Securities and Exchange Commission (SEC) published its 2019 Examination Priorities. The OCIE will prioritize certain practices, products and services it believes present potentially heightened risk to investors or the integrity of the U.S. capital markets.

OCIE will continue to review fees charged to advisory accounts to ensure that fees are assessed in accordance with client agreements and firm disclosures. Furthermore, during their examination, OCIE will place an emphasis on investment advisers participating in wrap fee programs which charge investors a single bundle fee for both advisory and brokerage services. Continued areas of interest include the adequacy of disclosures and brokerage practices, conflicts of interest, digital assets, cyber security and anti-money laundering programs.

FINRA

FINRA 2019 Annual Risk Monitoring and Examination Priorities

FINRA says that it will look at a variety of issues including firms' compliance with suitability requirements, the risk of undisclosed compensation arrangements and the quality of product disclosure. Other emerging issues identified in the letter as areas of focus in 2019 are: firms' compliance with FinCEN's Customer Due Diligence (CDD) rule; and firms' compliance with their mark-up or mark-down disclosure obligations on fixed income transactions with customers.

FINRA will also continue to review firms' compliance in areas of focus identified in prior years, including sales practice risks; hiring and supervision of associated persons with a problematic regulatory history; cyber security; and fraud, insider trading and manipulation across markets and products. "While we will continue to review and examine for longstanding priorities discussed in greater detail in past letters, we agree with the suggestion from many of our member firms that a sharper focus on emerging issues will help them better determine whether those issues are relevant to their businesses and how they should be addressed," FINRA CEO Robert Cook said in a statement.

FINRA 2018 Report on Selected Cyber Security Practices

On December 20, 2018, FINRA published its report on Selected Cyber Security Practices, detailing a review of effective information security controls at securities firms.

The report covered five main topics: (i) cyber security controls in branch offices; (ii) methods of limiting phishing attacks; (iii) identifying and mitigating insider threats; (iv) elements of a strong penetration testing program; and (v) establishing and maintaining controls on mobile devices.

The section on controls in branch offices lists a variety of specific practices across written supervisory procedures, asset inventories, technical controls as well as branch review programs.

The section on phishing explains different practices on how to detect potential phishing attacks, including attempts that appear to be from "trusted sources" (i.e., a CEO or other executive, the company help desk, customers or friends).

The report's Appendix covers "Core Cybersecurity Controls for Small Firms." FINRA acknowledges that all firms are different and not all practices will be relevant to each firm, especially smaller firms, so this list details various practices that FINRA believes are likely to be relevant for many small firms' cyber security programs.

NFA

NFA Interpretive Notice on Cyber Security

The National Futures Association (NFA) has amended Interpretive Notice 9070: Information Systems Security Programs- cyber security which was effective April 1, 2019. The amendments provide clarification on the following three areas: (i) training obligations, (ii) ISSP approval and (iii) requirement for members to notify the NFA of any cyber security related incidents.

Training

The Interpretive Notice currently requires members to provide training to employees upon hiring and periodically during their employment. The amendments require training of employees upon hiring, at least annually thereafter and more frequently if circumstances warrant. In addition, the amendments require that members identify the specific topical areas covered in the member's training program. The NFA believes that these changes will strengthen a critical safeguard in cyber security defenses, while still providing members with flexibility to create a training program responsive to the applicable risks identified by a member.

ISSP Approval

The Interpretive Notice currently requires that a member's Information Systems Security Programs (ISSPs) be approved in writing by the member's Chief Executive Officer, Chief Technology Officer or other executive level official. The NFA has found that the term "executive level official" is not uniformly understood by members. To provide more clarity, the NFA amended the Interpretive Notice to delete the term executive level official and replace it with senior level officer with primary responsibility for information security or other senior official who is a listed principal and has the authority to supervise the member's execution of its ISSP. The Interpretive Notice was also amended to clarify the approval process for a member that meets its obligations through participation in a consolidated entity ISSP.

Notice Requirement

While the Interpretive Notice currently requires members to create an incident response plan that addresses how they will communicate with external parties, it does not require a member to notify the NFA when it experiences any type of cyber security-related incident. The NFA amended the Interpretive Notice to include a narrowly tailored notification requirement for cyber security incidents. The amendments require members (other than futures commission merchants for which the NFA is not the DSRO) to notify the NFA of cyber security incidents related to their commodity interest business that:

- Result in a loss of customer or counterparty funds or loss of a member firm's capital; or
- If a member notifies its customers or counterparties of an incident pursuant to state or federal law.

NFA

NFA Complance Rule 2-9: CPO Internal Controls System

January 31, 2019

The NFA released a notice to members regarding an adoption of an NFA Interpretive Notice on CPO Internal Control Systems. The Interpretive Notice requires commodity pool operator (CPO) members to implement an internal controls framework designed to protect customer funds from fraudulent activity and provide reasonable assurance that the books and records of a CPO's commodity pools are accurate and reliable and that the CPO is in compliance with all CFTC and NFA requirements. The Interpretive Notice went into effect on April 1, 2019.

CFTC Announces First Ever Exam Cheat Sheet

February 15, 2019

The Commodity Futures Trading Commission (CFTC) published a list of examination priorities for the first time in the agency's history. The agency plans on increasing oversight into the complex marketplaces for swaps, futures and options. The guidance stated that "the Compliance Branch's focus in 2019 will be on more frequent and prompt examinations; emerging trends, products, and technologies; and targeted aspects of traditional compliance functions."

The Compliance Branch identified the following topics for in-depth examinations: cryptocurrency surveillance practices; surveillance for disruptive trading (including designated contract markets' ("DCMs") rules, surveillance practices, investigations and disciplinary cases); trade surveillance practices (selected elements); block trade surveillance practices; market surveillance practices (selected elements); real-time market monitoring practices; practices around market maker and trading incentive programs; and DCMs' relationships with and services received from regulatory service providers.

CFTC

CFTC Division of Enforcement Issues Advisory on Violations of the Commodity Exchange Act Involving Foreign Corrupt Practices

March 6, 2019

The CFTC Division of Enforcement announced an Enforcement Advisory on self-reporting and cooperation for violations of the Commodity Exchange Act (CEA) involving foreign corrupt practices. CFTC's Enforcement Director James McDonald announced the new advisory in remarks he made at the American Bar Association's National Institute on White Collar Crime.

"Combatting misconduct that affects our financial markets has truly become a team effort, and that is particularly true with respect to foreign corrupt practices," said McDonald. "We at the CFTC will do our job as part of the team to identify this type of misconduct in our markets and hold wrongdoers accountable, working closely with our enforcement partners domestically and abroad. This new Enforcement Advisory provides further clarity surrounding the benefits of self-reporting misconduct, full cooperation, and remediation in this context, and it reflects the enhanced coordination between the CFTC and our law enforcement partners like the Department of Justice."

MARKET MANIPULATION

Two Alleged Market Manipulators Sentenced in Parallel Criminal Case

January 31, 2019

Two alleged market manipulators in an SEC enforcement action filed in 2016 have been sentenced in a parallel criminal case.

The criminal charges against each stem from the same misconduct alleged in the SEC's complaint filed on April 7, 2016 in the U.S. District Court for the District of Massachusetts. The two individuals allegedly manipulated the stock of a company that purportedly developed waste processing and recycling facilities

MARKET MANIPULATION

SEC Charges Registered Investment Adviser and Former Chief Operating Officer with Defrauding Client

March 15, 2019

The SEC charged a registered investment adviser and the firm's former chief operating officer with manipulating the auction of a commercial real estate asset on behalf of one client for the benefit of another.

According to the SEC's order, in or about April 2015, while selling a commercial real estate asset on behalf of a collateralized debt obligation client, the firm and its former COO were aiming to acquire the asset for another client, a private fund. The firm and its officers owed its selling client a fiduciary duty, which included an obligation to take steps to use its best efforts to maximize the price obtained for the asset by identifying willing bidders. However, rather than seek out multiple bona fide bidders, the order finds that the COO used the firm's affiliated private fund client for one bid and convinced two unwilling bidders to participate in the auction by giving assurances that the bidders would not win the auction. As a result of this manipulation, the firm's private fund client was the highest bidder and acquired the asset, only to then later sell it for a substantial profit. The firm and its COO's conduct deprived the selling client of the opportunity to obtain multiple bona fide bids for the asset and maximize their profit.

MARKET MANIPULATION

SEC Charges Investment Adviser with Stealing Millions from Investors to Perpetrate Ponzi Scheme

March 20, 2019

The SEC charged a Long Beach, California investment adviser with stealing millions of dollars from investors to perpetrate a Ponzi scheme.

The SEC alleges that a former CPA and unregistered investment adviser raised at least $29 million from 25 investors, falsely promising to invest their money in securities. The accused allegedly told prospective investors that she would place their money in "federally guaranteed" securities with returns typically greater than 8%. The accused also solicited investments for an investment pool, a limited partnership which she managed and misrepresented as owning a large and diverse stock portfolio. According to the complaint, rather than make the promised investments, the accused used about $25.6 million to make Ponzi-style payments to investors, and the remaining funds to pay for personal expenses including car payments and home renovation costs. To conceal her fraudulent scheme, the accused provided investors with fabricated account statements that falsely represented that their money had been invested and was earning a return. The scheme fell apart in 2017 when she began to experience chronic cash flow problems and investors sued her.

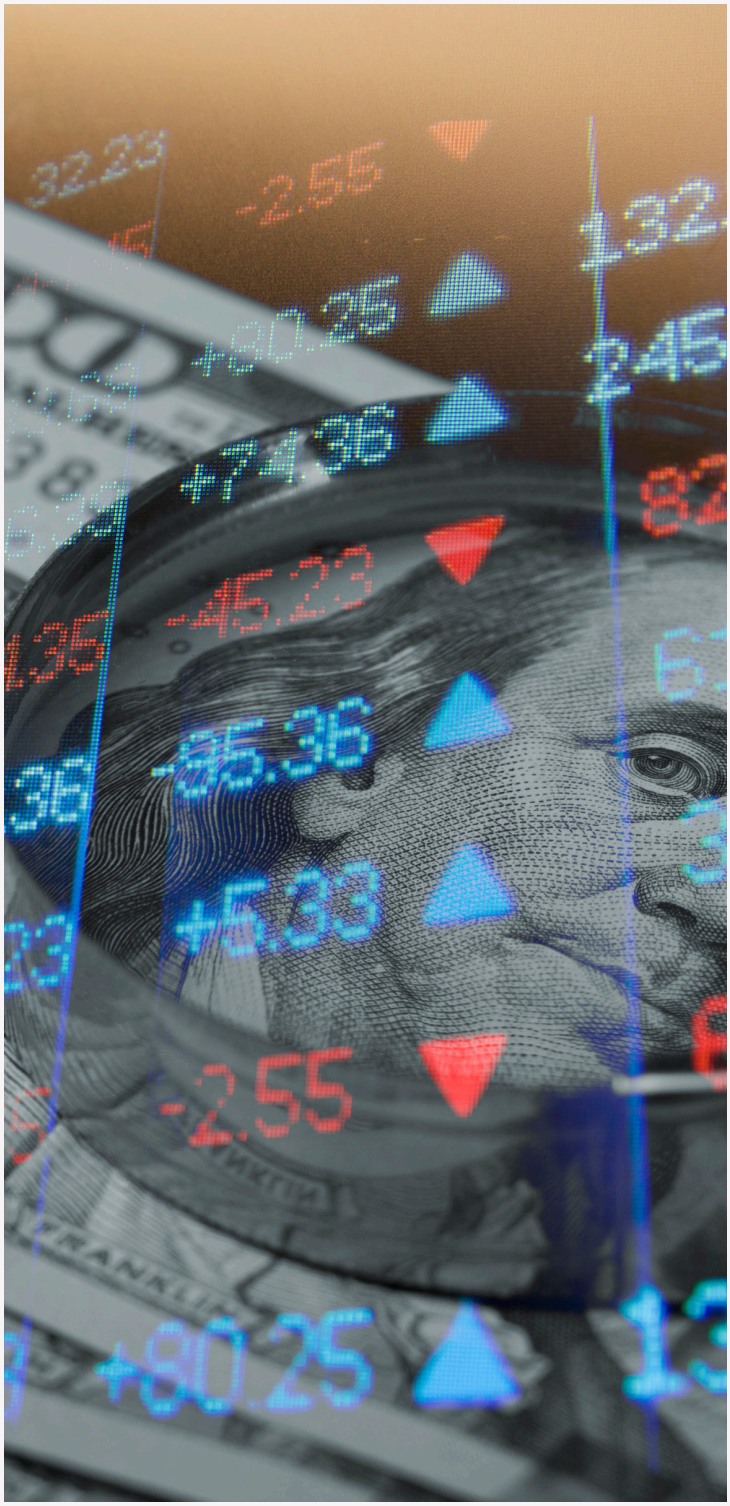
MARKET MANIPULATION

SEC Settles with Multiple Defendants in Market Manipulation Case and Amends Complaint as to Thirteen Remaining Defendants

March 25, 2019

On March 8, 2019, the SEC filed an amended complaint in an ongoing civil action in which the SEC alleges that numerous individuals and associated entities participated in microcap schemes that generated over $27 million from unlawful stock sales. The amended complaint includes additional allegations in support of its claims against thirteen of the original twenty defendants in a civil action.

Since the filing of the initial action last September, the SEC has obtained final consent judgments as to six defendants who allegedly had a role in the schemes.



FRAUD

Court Orders $1 Billion Judgment Against Operators of Ponzi Scheme Targeting Retail Investors

January 28, 2019

The SEC announced that a federal court in Florida ordered an operating company and its former owner to pay $1 billion in penalties and disgorgement for operating a Ponzi scheme that targeted retail investors.

The Honorable Judge Marcia G. Cooke of the U.S. District Court for the Southern District of Florida approved judgments against the operating company and its 281 related affiliates ordering them to pay $892 million in disgorgement. The court ordered the former owner and CEO to pay a $100 million civil penalty and to disgorge $18.5 million in ill-gotten gains plus $2.1 million in prejudgment interest.

In December 2017, the SEC filed an emergency action charging the company and other defendants with operating a massive $1.2 billion Ponzi scheme that defrauded 8,400 retail investors nationwide, many of them seniors who had invested retirement funds. The SEC's complaint alleged that the firm made Ponzi payments to investors and used a web of shell companies to conceal the scheme.

FRAUD

CFTC Charges Principal of a Purported Commodity Trading Firm with Social Media Based Fraudulent Scheme

February 14, 2019

The CFTC announced that a federal court in an enforcement action entered a preliminary injunction prohibiting the defendant from engaging in fraud, misappropriation of customer funds and regulatory violations in connection with an off-exchange foreign currency (forex) scheme. The CFTC's complaint charges that the accused defrauded more than 140 clients by falsely claiming he had millions of dollars in assets under management when he did not and with no evidence of him trading. Instead, as alleged, he absconded with his clients' money.

James McDonald, Director of Enforcement at the CFTC, said "This case shows the CFTC's continued commitment to rooting out fraud in our markets, whether it flows through traditional avenues or new ones, like the social-media based scheme alleged here. As social media becomes more prevalent, we caution customers to perform appropriate due diligence regarding any investment solicitations they receive over those platforms."

FRAUD

Federal Court Imposes $15.7 Million Civil Penalty and Lifetime Trading Ban against Precious Metals Dealer and his Company in CFTC Anti-Fraud Action

February 21, 2019

On February 21, the CFTC announced that Judge Robert J. Conrad Jr. of the U.S. District Court for the Western District of North Carolina entered a Supplemental Consent Order against the defendants finding that they fraudulently solicited customers in connection with precious metals transactions, misappropriated customer funds and concealed their fraud with false statements that the customer accounts were profitable.

The Supplemental Order, issued November 29, 2018, requires the defendants to pay, jointly and severally, a civil monetary penalty of $15,761,432. The Supplemental Order follows the Court's January 5, 2016 Consent Order of Permanent Injunction, which imposed permanent trading and registration bans against the defendants and prohibited them from committing further violations of the CEA and CFTC regulations, as charged.

The Consent Order found that from August 2013 through January 2014, the defendants represented to members of the public that the firm was a large, stable and reputable precious metals firm that delivered precious metals to customers. From this, 381 persons throughout the United States submitted orders with the firm for the purchase of more than $150 million in precious metals; however, the defendants fraudulently failed to purchase precious metals with at least $15 million of the customers' funds. The customer funds were misappropriated by the firm and used to fulfil other customers' orders, pay debts of the company, and return the money to previous customers who did not receive their coins.

The Court further found that the owner acted as the sole controlling person and agent of the firm. He was the sole shareholder and president of the company and the sole person responsible for making business decisions on behalf of the firm and controlled the company operations.

FRAUD

SEC Charges Lumber Liquidators with Fraud

March 12, 2019

The SEC announced charges against a well-known building product supply company for making fraudulent misstatements to investors. The charges stem from the company's false public statements in response to media allegations that the company was selling laminate flooring that contained levels of formaldehyde exceeding regulatory standards. The firm agreed to pay more than $6 million to settle the SEC action.

The SEC's order finds that in early 2015, the discount retailer of hardwood flooring made public statements in response to a "60 Minutes" episode that showed undercover video of two of the company's main suppliers stating that they provided the company with products that did not comply with regulatory requirements. In its response, the company fraudulently informed investors that third-party test results of its flooring products proved compliance with formaldehyde emissions standards and that it had discontinued sourcing materials from suppliers that were unable to meet these standards. The company knew that its largest Chinese supplier had failed third-party formaldehyde emissions testing and was unable to produce documentation showing regulatory compliance. The SEC's order further finds that despite having evidence confirming that the individuals in the "60 Minutes" undercover video were factory employees of its suppliers, the company falsely stated that its suppliers were not depicted in the video.

FRAUD

SEC Charges Major Auto Manufacturer, Former CEO With Defrauding Bond Investors During "Clean Diesel" Emissions Fraud

March 14, 2019

The SEC charged a well-known auto manufacturer, two of its subsidiaries and the former CEO for defrauding U.S. investors. The company raised billions of dollars through the corporate bond and fixed income markets while making a series of deceptive claims about the environmental impact of the company's "clean diesel" fleet.

According to the SEC's complaint, from April 2014 to May 2015, the manufacturer issued more than $13 billion in bonds and asset-backed securities in the U.S. markets at a time when senior executives knew that more than 500,000 vehicles in the U.S. grossly exceeded legal vehicle emissions limits, exposing the company to massive financial and reputational harm. The complaint alleges that the manufacturer made false and misleading statements to investors and underwriters about vehicle quality, environmental compliance and the firm's financial standing. By concealing the emissions scheme, the manufacturer reaped hundreds of millions of dollars in benefit by issuing the securities at more attractive rates for the company, according to the complaint.

INSIDER TRADING

SEC Charges Former Senior Attorney with Insider Trading

February 13, 2019

The SEC filed insider trading charges against a former senior attorney who served as global head of corporate law and corporate secretary.

The complaint alleges that the accused attorney who previously served as global head of corporate law and corporate secretary, received confidential information about quarterly earnings announcements in his role on a committee of senior executives who reviewed the company's draft earnings materials prior to public dissemination. Using this confidential information, the accused traded the securities of his own firm ahead of three quarterly earnings announcements in 2015 and 2016 and made approximately $382,000 in combined profits and losses avoided. The complaint alleges that the accused attorney was responsible for securities laws compliance, including compliance with insider trading laws. As part of his responsibilities, the accused reviewed and approved the company's insider trading policy and notified employees of their obligations under the insider trading policy around quarterly earnings announcements.

MISCELLANEOUS

SEC Charges a Technology Solutions Corporation and Two Former Executives with FCPA Violations

February 15, 2019

The Technology Solutions Corporation in question has agreed to pay $25 million to settle charges that it violated the Foreign Corrupt Practices Act, and two of the company's former executives were charged for their roles in facilitating the payment of millions of dollars in a bribe to an Indian government official.

The SEC's complaint alleges that in 2014, a senior government official of the Indian state of Tamil Nadu demanded a $2 million bribe from the construction firm responsible for building a 2.7 million square foot campus in Chennai, India. As alleged in the complaint, the firm's President and Chief Legal Officer authorized the contractor to pay the bribe and directed their subordinates to conceal the bribe by doctoring the contractor's change orders. The Commission also alleges that the firm and its officers authorized the construction firm to make two additional bribes totalling more than $1.6 million and allegedly used sham change order requests to conceal the payments it made to reimburse itself.

MISCELLANEOUS

Company Settles Unregistered ICO Charges After Self-Reporting to SEC

Febraury 20, 2019

The SEC charged a Washington D.C.-based company with conducting an unregistered initial coin offering (ICO), which the company self-reported to the SEC.

According to the SEC's order, the company conducted an ICO in late 2017, after the Commission warned in its DAO Report of Investigation that ICOs can be securities offerings. The company raised approximately $12.7 million in digital assets to finance the development of a network for renting spare computer bandwidth to defend against cyber-attacks and enhance delivery speed. The company did not register its ICO under the federal securities laws, and the ICO did not qualify for an exemption from registration requirements.

The company self-reported to the SEC's Enforcement staff in the summer of 2018, expressed an interest in taking prompt remedial steps, and cooperated with the investigation. The SEC did not impose a penalty because the company self-reported the conduct, agreed to compensate investors, and registered the tokens as a class of securities. The case follows the Commission's two recent ICO registration cases, in which companies agreed to pay penalties for similar registration violations and agreed to similar undertakings.

MISCELLANEOUS

Broker-dealer to Return More Than $5 Million to Retail Investors and Pay Penalty Relating to Directed Brokerage Arrangements

March 5, 2019

The SEC announced that a broker-dealer agreed to return more than $5 million to retail investors and pay a $500,000 penalty. This fine and penalty was ordered by the SEC to settle charges that a firm acquired by the broker-dealer misled its advisory clients into believing they were receiving full service brokerage services at a discount.

It is alleged that the acquired registered investment advisor used misleading statements and inadequate disclosures about its brokerage services and prices to persuade customers to choose the in-house broker. Without admitting or denying the findings, the broker-dealer agreed to pay disgorgement of $4,712,366 and prejudgment interest of $497,387, which it will distribute to affected current and former clients through a fair fund, as well as a $500,000 penalty.

SEC Share Class Initiative Returning More Than $125 Million to Investors

March 11, 2019

The SEC announced that it settled charges against 79 investment advisers who will return more than $125 million to clients, with a substantial majority of the funds going to retail investors. The SEC's orders found that the investment advisers failed to adequately disclose conflicts of interest related to the sale of higher-cost mutual fund share classes when a lower-cost share class was available. Specifically, the SEC's orders found that the settling investment advisers placed their clients in mutual fund share classes that charged 12b-1 fees – which are recurring fees deducted from the fund's assets – when lower-cost share classes of the same fund were available to their clients without adequately disclosing that the higher cost share class would be selected.

According to the SEC's orders, the 12b-1 fees were routinely paid to the investment advisers in their capacity as brokers, to their broker-dealer affiliates or to their personnel who were also registered representatives, creating a conflict of interest with their clients, as the investment advisers stood to benefit from the clients' paying higher fees. Each of the settling investment advisers consented to cease-and-desist orders finding violations of Section 206(2) and, except with respect to state-registered only advisers, Section 207.

Court Penalizes Major US Bank in Bond Offering

March 20, 2019

A federal court has ordered a major U.S. bank to pay more than $800,000 in civil penalties for disclosure failures associated with a municipal bond offering it underwrote to finance a start-up video game company.

The SEC charged the bank in 2016 and alleged, among other things, that the bank, which served as the placement agent for the bond offering, failed to disclose that the project being financed by the bonds – the development of a video game – could not be completed with the financing the bonds would provide. The SEC also alleged that the defendants did not disclose that even with the proceeds of the loan financed by the bonds, the video game company faced a known shortfall in funding. In addition, the SEC alleged that the bank and its lead banker on the deal failed to disclose to bond purchasers that the bank was receiving additional compensation from the video game maker, totalling $400,000, that was directly tied to the issuance of the municipal bonds.

COMPLIANCE AND REGULATORY CONSULTING

Duff & Phelps is an award-winning provider of compliance and regulatory consulting services. Our global team of professionals operate to build, manage and protect our clients' businesses by providing exceptional advice and integrated expertise.

Duff & Phelps' Compliance and Regulatory Consulting practice provides comprehensive support to a variety of asset managers across the globe, including cybersecurity support.

Our global team operates seamlessly across borders to provide clients with cross-jurisdictional advice and integrated expertise. We advise our clients on a variety of regulatory issues including but not limited to SEC, FINRA, NFA, CFTC, MAS, FSA and the SFC matters.

Financial services professionals engage our team of compliance specialists for assistance at every stage of the business lifecycle to meet regulatory requirements. Duff & Phelps' extensive experience includes launching registered entities, as well as providing a wide span of necessary ongoing compliance support.

Additionally, Duff & Phelps will work with you to create a robust cybersecurity framework through our various service offerings. Our team will work with your firm to identify any risks, or threats it may face. We will deliver recommendations that highlight security flaws in your environment, and the steps needed to remediate these issues.

U.S. SERVICES INCLUDE

- SEC Investment Adviser and Broker-Dealer Registration
- SEC Mock Exams
- Annual compliance reviews in accordance with Rules 206(4)-7 and 38a-1
- Gap Analysis
- Operational Due Diligence reviews
- Investment Advisor Ongoing Compliance Support (Form ADV and PF filings, electronic communication reviews, review of marketing materials, review of personal trading, annual employee compliance training, development of policies and procedures, regular consultation with Duff & Phelps compliance team)
- CPO-CTA Registration
- NFA-CFTC Ongoing Compliance Support
- Vendor Due Diligence
- Cybersecurity Program Gap Analysis
- Risk Assessment and Risk Management
- Regulatory Examination Support
- FINRA Mock Exams
- BD Ongoing Support (electronic communication reviews, review of marketing materials, review of personal trading, annual employee compliance training, development of policies and procedures, anti-money laundering independent testing and regular consultation with Duff & Phelps compliance team)

Kroll's Services

Kroll | A Division of DUFF & PHELPS

In April 2018 Duff & Phelps acquired Kroll, a leading global provider of risk solutions. Kroll has been helping clients make confident risk management decisions about people, assets, operations and security for more than 40 years. Kroll Compliance presents a market-leading portfolio of Anti-Money Laundering (AML), Know Your Customer (KYC) and Anti-Bribery & Corruption (AB&C) compliance services.

Through a combination of in-depth subject matter expertise, global research capabilities, and flexible technology tools Kroll can help clients:

- Design, set-up, and implement compliance programs and policies, taking into consideration the complex and unique laws across the world
- Establish an overarching compliance strategy and culture, including firm-wide training programs
- Manage third party risks leveraging Kroll's third party Compliance Portal, a web-based due diligence, governance and compliance platform
- Take a risk-based approach to compliance through a broad range of screening and monitoring services and enhanced due diligence capabilities
- Respond to potential risks through Kroll's investigative, remediation, and look-back solutions

Anti-Money Laundering (AML)

Many of the world's top financial institutions call on Kroll to help them comply with key legislation like the USA Patriot Act and the Bank Secrecy Act (BSA). Adherence to these and other global regulations requires a risk-based approach to establishing and carrying out AML and Know Your Customer (KYC) programs, including customer identification programs and enhanced due diligence. Kroll provides tailored solutions commensurate with the level of risk involved, including: establishing policies, procedures and controls that are designed to detect and report instances of money laundering; client onboarding, screening and risk scoring; and enhanced due diligence on higher risk accounts.

Anti-Bribery and Corruption

As a result of the Foreign Corruption Practices Act (FCPA), the UK Bribery Act (UKBA) and newer country-specific legislation, the global regulatory environment has grown increasingly complicated. Exposure to corruption-related risks continues to be one of the top business issues for compliance and in-house legal professionals as well as C-level stakeholders. Kroll can equip clients with the tools necessary to mitigate and remediate these regulatory compliance concerns. Kroll's solutions include anti-bribery and corruption program design and implementation, the use of Kroll's proprietary 3rd Party Compliance Portal to assess and manage the risk of third parties and internal controls, ongoing screening, monitoring, and enhanced due diligence of third parties, and the ability to respond quickly to any bribery or corruption risk that may arise worldwide.

For more information on Kroll's Compliance Risk and Diligence services, click here.

DUFF & PHELPS

Protect, Restore and Maximise Value

About Duff & Phelps

Duff & Phelps is the global advisor that protects, restores and maximizes value for clients in the areas of valuation, corporate finance, investigations, disputes, cyber security, compliance and regulatory matters, and other governance-related issues. We work with clients across diverse sectors, mitigating risk to assets, operations and people. With Kroll, a division of Duff & Phelps since 2018, our firm has nearly 3,500 professionals in 28 countries around the world.
For more information, visit www.duffandphelps.com.