

Addressing and Investigating Conflicts of Interest

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21 Tips for Compliance Officers

Conflict of interest (COI) is a significant compliance risk area. The Department of Health and Human Services (HHS) Office of the Inspector General (OIG) addresses COI in compliance guidance documents, and the Department of Justice (DOJ) also discusses COI in the “Evaluation of Corporate Compliance Programs” guidance for prosecutors. COI exists in a wide range of behaviors wherein individuals make decisions that involve personal interests (whether actual, potential, or perceived) that conflict with the interests of their employers or business partners.

A COI risk exists in any situation in which financial or other personal considerations may compromise or appear to compromise an employee’s (1) business judgement; (2) delivery of patient care; or (3) ability to do his or her job. An actual or potential conflict of interest occurs when an employee can influence a decision that may result in a personal gain for that employee or a relative as a result of business dealings. A “relative” is any person who is related to the employee by blood or marriage, or whose relationship with the employee is like that of persons who are related by blood or marriage.

Addressing and Investigating COI

1. Develop policies and procedures regarding COI.
2. During the on-boarding process for new employees and vendors, require disclosure of potential COI.
3. Implement a COI Disclosure Form for any actual or potential conflicts.
4. Institute an annual COI disclosure process for existing employees.
5. Establish a system to manage and track COI disclosures.
6. Maintain a centralized repository of COI disclosures.
7. Formalize COI guidance regarding business relationships with third parties.

8. Ensure that compliance education and training programs discuss COI.
9. Encourage all employees to report suspected COI.
10. Ensure that there are qualified employees who can conduct COI investigations.
11. Fully debrief complainants who provide information about a potential COI.
12. Identify all associated risks and issues in any reported potential COI violation.
13. Define the scope of COI investigations.
14. In responding to allegations of COI violations, identify sources of information and evidence.
15. When investigating COI policy violations, first assess what is known.
16. Determine which departments (such as Human Resources or Legal) are needed to resolve reported COI issues.
17. Alert executive leadership of any identified potential COI.
18. To analyze a COI issue, review the employee's file as well as their workplace correspondence.
19. Interview the subject of any COI allegation.
20. Identify and interview others who may have information about the matter.
21. Develop a full written report of the findings of all COI investigations.

For more information on compliance investigation training programs, contact Richard Kusserow at: rkusserow@strategicm.com.