

# Ethics Hotline – A Critical Tool for Protecting Investments

NEW YORK, NY (SEND2PRESS NEWSWIRE) – Corporate Resolutions Inc. (CRI), a New York City firm that conducts background checks and corporate investigations, announces the launch of its Ethics Hotline – a vehicle for private companies to allow their employees to anonymously and confidentially report suspicions of fraud, sexual harassment, misappropriation of funds or unethical business practices.



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Springer, Chief Executive Officer of CRI, says, “It makes perfect sense for private investors to have a mechanism in place, such as this, to help address potential human resource or accounting issues before they become a public matter.”

“Think of it as additional checks and balances to protect an investment. If this hotline can help our clients prevent just one incident of theft, sexual harassment or questionable business practices by providing information that is critical to the company’s viability and success, then the hotline will have proven itself to be invaluable. We are confident that lenders and investors will recognize the benefits of this program and make it a condition of their investment,” says Springer.

A whistleblower brought the Enron scandal to light, triggering the passage of the Sarbanes-Oxley Act of 2002. Sarbanes-Oxley mandates that public companies provide an avenue for employees to furnish information concerning

questionable accounting practices without fear of retaliation by senior management or fellow employees.

In view of the recently publicized corporate scandals, state governments may also subject private companies to the same governance that dictates whistleblower compliance by public companies and government organizations.

The Association of Certified Fraud Examiners, in their 2004 Report to the Nation, noted that, "more than 39% of fraud incidents reported, were initially discovered through a tip by an employee, contractor, vendor or anonymous source, compared to 24% through internal audit and 21% through accidental discovery.

"Based on this, the addition of an anonymous call line may well be beneficial in flushing out potentially harmful information that may not be outwardly disclosed by an employee for fear of reprisal. This is merely the next generation 'open door policy,' which conveys to employees that management and the board of directors respects and needs their input," stated Springer.

"If taxis and construction sites provide 800-numbers to report careless driving, theft or destruction of property, then private companies should certainly have a hotline for reporting problems that could seriously impact their investors," finished Springer.

TeleSentry, Inc. of Westport, CT will monitor the hotline for CRI, who in turn will assess each complaint and advise the client as to the logical steps that can be taken to investigate the allegations.

#### About Corporate Resolutions

Corporate Resolutions Inc. (CRI) is a worldwide business investigations and consulting firm, providing a wide range of services to leading financial institutions, the private equity and alternative asset communities, law firms, insurance companies, healthcare organizations and global corporations. CRI, established in 1991, has offices in New York City, Boston and London.

Visit us on the web at [www.corporateresolutions.com](http://www.corporateresolutions.com) or contact Corporate Resolutions Inc. at 212-691-3800.

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