

Insights



Scott Hulsey, William McGovern, Benjamin Sauter and Hartley West on the Risk of Regulatory Scrutiny for Companies Post-COVID-19

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Kobre & Kim's Scott Hulsey, William McGovern, Benjamin Sauter and Hartley West, who all focus on different aspects of defensive counsel against government enforcement actions and investigations, collaborated on an article for *Corporate Counsel* that takes an in-depth look at the regulatory risks public companies and traders face during and after the COVID-19 pandemic.

The pandemic has created new risks of regulatory scrutiny, as major U.S. regulatory enforcement agencies such as the Securities and Exchange Commission (SEC) and Commodity Futures Trading Commission (CFTC) have indicated with both recent investor alerts and "no-action" letters. These risks include decreased employee oversight due to remote working; opportunities for fraud as public and private money is poured into the economy; increased likelihood of insider trading; fraudulent profiteering from market volatility; and laid-off employees incentivized to become whistleblowers.

Hulsey, McGovern, Sauter and West propose numerous steps companies, traders and counsel should take to mitigate risks and prepare for visits by regulators and law enforcement. From comprehensive risk assessments and leveraging technology to address any breach of best practices, to preparing for potential investigations from regulators, the team lays out the best ways companies can proactively and preemptively respond to the risks in this new environment.

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