

THE OKLAHOMAN

Employee corruption can catch up to businesses

Tom Gruber, a white-collar defense and corporate corruption attorney with GableGotwals, discusses corporate liabilities resulting from law enforcement and regulatory inquiries.

By PAULA BURKES, BUSINESS WRITER

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Q&A with Tom Gruber

White-collar crimes can cause liability for criminal's employer

Q: What is a white-collar crime?

A: While there is no legal definition, white collar is generally used to describe a non-violent, business-related crime committed for financial gain. Antitrust fraud, tax evasion, bribery, securities fraud and kickbacks are just a few examples of offenses that can be classified as white-collar crimes.

Q: Can a business or its owner be exposed to civil or criminal liabilities when one of the business' employees is accused of committing a corporate crime?

A: This could be an instance where the cover-up is worse than the crime. A business owner could face civil liability if she tries to hide the fraud from shareholders/investors and might be exposed to a criminal charge of accessory after the fact if she attempts to hide a crime from law enforcement.

Q: How can a business protect itself from these liabilities?

A: It's important for a business to establish an appropriate command and control structure with a proper separation of duties so there are checks and balances. This is especially vital when it comes to the handling of funds. It's also a good idea to occasionally conduct an internal review that includes outside experts who come in and look at your operations. This should include experts in law, tax and accounting.

Q: How can a business owner protect herself from personal liability if she suspects some sort of criminal behavior within the company?

A: If a business owner suspects some sort of criminal behavior within the company she should secure the situation within the business, like restricting access to information and funds, and at the same time alert the proper authorities.