

Press Release

Washington Legal Foundation
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SENTENCING COMMISSION URGED NOT TO REVISE CORPORATE COMPLIANCE GUIDELINES

The Washington Legal Foundation (WLF) filed comments with the United States Sentencing Commission opposing its proposed amendments to the sentencing guidelines that would unduly expand the definition of an "effective compliance program" for corporations in order for the company to be eligible for reduced criminal penalties. Under the current guidelines, a company will be deemed to have an effective compliance program if it is designed to reasonably detect and prevent criminal conduct within the company. Under the proposed amendment, however, an effective compliance program must be designed to ferret out and prevent violations of *any* law or regulation, whether civil or criminal, and whether federal, state, or local.

WLF vigorously opposed the proposed revision as being unnecessary and burdensome, forcing companies to expend resources on monitoring even trivial regulatory infractions rather than serious criminal activity. For example, employees who drive a company car over the speed limit could disqualify a company from having an effective compliance program. WLF also took to the Commission to task for failing to have any corporate counsel or officer serve on its Advisory Committee on Organizational Guidelines; members of the committee were prosecutors and professionals who provide advice to companies on developing compliance programs.

Since the Commission's formation over 17 years ago, WLF has submitted written comments and has testified before the Commission on several occasions regarding various substantive issues. WLF is the only pro-business public interest law and policy center to advocate reasonable criminal prosecution and sentencing policy before the courts, the Department of Justice, and the Sentencing Commission, particularly with respect to minor regulatory infractions. Regulatory offenses would be better remedied by reasonable administrative and civil enforcement rather than by the heavy hand of criminal prosecution, and lengthy prison sentences.

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For information, contact WLF's Senior Executive Counsel Paul Kamenar, 202-588-0302. WLF's comments are available on WLF's website at www.wlf.org.