

Module 4 – Sarbanes-Oxley Act of 2002

- Reaction by congress to high profile frauds
- Attempt to legislate “evil out of our corporations”
- SEC mandated that managers of publicly traded companies “CERTIFY” that they have an OPERATIONAL SYSTEM of INTERNAL CONTROLS
 - This has sent managers and board members back to school to review accounting principles

Sarbanes-Oxley Act of 2002

- Significant protection for corporate whistleblowers
 - Not only provides for remedy against wrongfully discharged employees but...
 - Mandates that publicly traded companies to establish procedures to accept internal whistleblower complaints
 - Requires attorneys to become in-house whistleblowers and criminalizes retaliation