

From the front lines: Here's our Covid-19 response playbook

*By Marc Alain Bohn and Karin Johnson
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As noted on a recent FCPA Blog [post](#), there is no Covid-19 defense to corruption. To underscore this point, the DOJ and FTC [issued](#) a Joint Antitrust Statement Regarding Covid-19 on March 24 indicating that they will not hesitate to hold accountable anyone who subverts competition or preys on vulnerable Americans during the current crisis.

As compliance professionals, none of us can abandon our efforts when confronted with a once in a lifetime event like Covid-19, but we do have to be strategic in our approach and adapt our efforts in the face of this new reality.

With that in mind, we wanted to encourage FCPA Blog readers by sharing the playbook that we've been using to support our business lines and manage risk.

(We're on VF Corporation's Ethics and Compliance team. You may not be familiar with VF Corporation, but you probably know some of our brands. They include Vans, The North Face, Timberland, JanSport, and Eagle Creek, among many others).

Here's what we're doing:

1. **Taking a "People First" approach.** VF has taken a People First approach in developing its response to COVID-19 and has made the safety and well-being of its employees a core priority. For example, when the decision was made to temporarily close our retail stores in North America, our leadership team committed that retail employees would continue to receive pay and benefits during this initial shutdown period, a commitment which the Company subsequently extended when it became clear that retail operations in the region would not resume before May. Management has also been communicating

regularly and transparently on VF's response to COVID-19, both internally and externally. This People First approach shows that VF remains committed to its [Purpose and Guiding Principles](#) even in times of business disruption.

2. Proactively considering how the crisis may affect our company's current risk exposure. Unexpected events such as the coronavirus can alter a company's risk profile, particularly in the short term. For example, they can interfere with a company's supply chain and distribution networks, necessitating reliance on new third parties. Or they can create new regulatory hurdles, such as increased scrutiny of imports and exports at the border. At VF, we are actively evaluating how these external and internal developments could affect our risk exposure, which includes communicating regularly with the legal teams from each of our brands. This effort is helping us to better understand what is going on with the business and where the strain of the crisis might lead to increased risk. We can then target our support more effectively, supplementing and reallocating resources, as appropriate.

3. Assessing and realigning priorities, as necessary. Crises have the potential to overwhelm critical functions that serve to mitigate risks. Thus, risk-based prioritization is crucial. As the far-reaching impact that Covid-19 would have on our business became apparent, one of the first things we did as a team was to sit down and take stock of our workloads and short-term plans, assess our current priorities, and determine where and how we needed to realign these priorities to better support the business and our employees while continuing to mitigate our risk. Our initial response involved:

- confirming our focus on compliance "fundamentals," such as ensuring that our helpline process, investigation function, and third-party due diligence program continue to be sufficiently resourced and run smoothly (e.g., if key personnel are now stretched thin, leveraging other resources within the Company to ensure we are appropriately mitigating our risk)

- emphasizing the need for our entire team to be highly responsive partners to the business, promptly responding to requests, shortening turn-around times where possible, and looking for opportunities to offer assistance, and
- considering what existing plans could potentially be delayed without exposing the company to unnecessary risk, such as a proposal to refresh a policy or streamline certain processes.

We then created a list of “Covid-19 priorities,” starting with Tone from the Top and leadership engagement, proactively reassessing risk, and an updated communications plan (as detailed below).

4. Creating an updated communication plan for Covid-19. Research has shown that the frequency with which leaders discuss ethics and compliance with their teams directly influences employee perceptions about the integrity of their leaders and the company as a whole, and corresponds to the likelihood that employees will elevate issues, raise concerns, and feel a personal responsibility to ensure the company does the right thing. If leaders do not explicitly reinforce expectations around ethical business dealings and integrity, especially during times of business disruption, employees may interpret the lack of clear messaging as an implicit directive to do “whatever it takes” to accomplish business objectives or preserve revenue.

At VF, our realigned priorities include a Covid-19 specific communications plan, the centerpiece of which is direct engagement with our top leaders on the importance of emphasizing integrity, along with VF’s Guiding Principles, as this crisis continues to unfold. To this end, we have created clear, simple talking points so that leaders at all levels of the company can incorporate the importance of integrity into their regular communications with their teams. We are partnering with our communications team to ensure that those messages, to include ethics and compliance success stories, are incorporated in broader company communications whenever possible.

5. Thinking outside the box and adapting and restructuring processes, where appropriate, to facilitate risk mitigation efforts. Where crises constrain normal procedures, companies will need to get creative and adapt, at least temporarily, to mitigate risk. Given the varying stay-at-home and lockdown orders in place around the world, we at VF have been determining on a case-by-case basis the most effective ways to conduct investigations. In certain instances, we have decided to delay one or more investigative steps until travel is again possible, such as putting off certain witness interviews. In other cases, we have opted to push forward, by leveraging technology or engaging local personnel. Sometimes these adaptations may not be ideal, but they constitute the best we can do under difficult circumstances.

Marc Alain Bohn, pictured above left, is a contributing editor of the FCPA Blog. He's Senior Counsel, Anti-Corruption Compliance at VF Corporation.

Karin Johnson, above right, is an Ethics and Compliance Consultant currently serving as Senior Counsel, Ethics and Compliance at VF Corporation. She previously served as Vice President, Deputy General Counsel and Group Chief Compliance Officer at 21st Century Fox.