

Faculti Summary

<https://faculti.net/public-reporting-of-monitorship-outcomes/>

This video is a detailed exploration of the concept of monitorships, which are independent outsiders appointed to oversee organizational remediation efforts after wrongdoing is identified, particularly in cases of corruption or misconduct. The speaker, having studied monitorships for about a decade, explains that these monitors serve various entities, including governmental agencies like the Department of Justice and the Federal Trade Commission.

Monitorships can take different forms, such as enforcement monitorships, where monitors ensure a company fulfills specific tasks, and corporate compliance monitorships, where monitors help organizations identify compliance failures and implement necessary reforms. The relationship between monitors, the organizations, and regulatory bodies is complex, involving oversight, accountability, and transparency. The transparency of monitorship reports has evolved, especially when monitors are used outside the courtroom, potentially limiting public access.

The speaker advocates for mandatory public reports at the conclusion of monitorships to improve transparency and hold organizations accountable for their remediation efforts. These reports should be succinct and accessible to the public, detailing the success or failure of the compliance efforts. Suggestions include enforcing this requirement through regulations from the SEC and the Office of Management and Budget for public and private firms, respectively.

Furthermore, the speaker emphasizes the importance of monitoring the effectiveness of these remediation efforts, citing empirical studies showing corporate recidivism. Overall, they argue for a balanced approach that allows for accountability while recognizing the challenges presented by diverse regulatory frameworks and the need for monitors to maintain their reputations and incentivize effective compliance.