



# Solving Compliance Challenges in the Pharmaceutical Industry

The Foreign Corrupt Practices Act (FCPA) and the Physician Payment Sunshine Act (Sunshine Act) create an enormous compliance burden and expose pharmaceutical companies to financial risk.

## Steep Penalties for Non-Compliance

### FCPA

\$18m

Almost 1/2 of the total FCPA enforcement by the SEC happened in the last four years. <sup>1</sup> \$18 million average per violation of FCPA. <sup>2</sup>

### Sunshine Act

Up to \$1m

Up to \$1 million maximum annual penalty for failure to correctly report a financial transaction. <sup>3</sup>

## Most Common Risks for Non-Compliance

### FCPA

90%

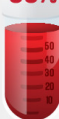
90% of FCPA penalties are attributed to a 3rd party violation. <sup>4</sup>

### Sunshine Act

Integrating Data

Integrating data on all transactions between physicians from multiple systems by August 1, 2013

60%



60% of the companies interviewed use manual, paper-based systems for interacting with third parties, dramatically increasing the risk for potential fraud. <sup>5</sup>

## Are You at Risk?

### YES: The Problems are Traditional

- Manual, paper-based processes are error-prone and time-consuming providing no comprehensive audit trail
- Limited transparency between companies and third parties
- Legacy systems lack flexibility for the changing regulatory landscape

### NO: The Solution is Modern

- + Automate end-to-end business processes
- + Optimize data quality, compliance, collaboration and traceability
- + Leverage mobile, social and cloud
- + Quickly generate reports to detect fraud potential

The changes in laws and regulations will not stop coming. Innovative pharmaceutical companies use Appian to create mission critical applications that solve their compliance challenges.

# Appian

<sup>1</sup> SEC Enforcement Actions: FCPA Cases 1978 - 2013

<sup>2</sup> Arnell Golden Gregory: FCPA Compliance Tips for the Pharmaceutical/Medical Device Company's Compliance Officer: 5/7/2013

<sup>3</sup> Deloitte Survey: Physician Payment Sunshine Act, 2012

<sup>4</sup> Ibid, 3

<sup>5</sup> Kroll Advisory Solutions: FCPA Benchmarking Report, 2012