

Case Study

Venoco, Inc.



VENOCO, INC

Headquarters: Denver, CO

Founded: 1992

Website: www.venocoinc.com

NYSE: VQ

The Challenge

Venoco, Inc., a publicly traded energy company, wanted a good control environment in place to maintain compliance with the Sarbanes-Oxley Act. The company considered creating an internal reporting system but did not feel it was efficient to allocate the necessary resources and add responsibilities to employees to effectively maintain such a system.

Venoco also recognized the advantages of a third party system from the perspective of the system's users. "If employees were talking to someone that was not a Venoco employee, we felt they would be more comfortable," said Audit Director, Don Mapes.

Venoco wanted a system with multilingual capabilities, particularly Spanish, as they have a number of primarily Spanish speaking employees. Mapes said, "It was a huge plus to me and the company that the manuals and reporting form are also in Spanish."

Finally, Venoco had to feel 100% assured of the solution's security, anonymity for its users, and ease of use from the user and administrator perspective.

The Solution

Ethical Advocate responded to Venoco's needs by providing a web-based application and a phone hotline, both with multi-language capabilities. The package included unlimited training sessions, instruction manuals and all communication material needed to inform Venoco staff of the system at a price that fit within their budget.

"The great service Ethical Advocate is providing, they're providing at a very reasonable cost," said Mapes.

Venoco utilized the unique customization capabilities of EA's system by tailoring it to fit the way their company is structured, both geographically and by business unit.

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Don Mapes CIA, CISA
Audit Director, Venoco, Inc.

About Venoco, Inc.

Venoco is an independent energy company engaged in the acquisition, exploration, exploitation and development of oil and natural gas properties in California and Texas. It has headquarters in Denver, Colorado and regional offices in Carpinteria, California and Houston, Texas.

Venoco operates three offshore platforms in the Santa Barbara Channel, has non-operated interests in three other platforms, operates three onshore properties in Southern California, has extensive operations in Northern California's Sacramento Basin and operates eighteen fields in the Texas Gulf Coast and South Texas.

About Ethical Advocate

Ethical Advocate provides confidential and anonymous incident reporting, meeting Sarbanes-Oxley, HIPAA, and many other regulatory and reporting needs. Ethical Advocate delivers confidential and anonymous reporting 24 hours a day, every day of the year. Persons desiring to report incidents, indiscretions, or suggestions can do so securely with privacy and anonymity, by phone or through Ethical Advocate's secure website in multiple languages.

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The Solution (cont.)

"Ethical Advocate has been excellent in addressing the things we wanted to put in place, providing customization for the reporting categories and other features," said Mapes. "Ethical Advocate was great in training us and during the setup; they allowed us to use a test function to create a sample complaint and watch it flow through the system – we got a good flavor of how it works before our system was in place," added Mapes.

The Results

"Through our relationship with Ethical Advocate, putting the system in place and then getting the message out, our people have clearly become more aware that when things seem wrong you shouldn't just sit idly by, that they should do something about it. We now have people discussing ethics and asking themselves 'Hey is this right?'" said Mapes.

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The security of having a reliable control procedure that alerts Venoco to anything negatively affecting the organization is another key benefit. "We wanted to know about things that are wrong before the public does so we have a chance to fix or address it; clearly it was something that shows a good tone at the top for the company and we site it as one of our key entity level controls," added Mapes.

"We are absolutely dedicated to having an anonymous reporting channel available to people. We believe it provides excellent proof of our commitment to an ethical environment and we're encouraging people to bring pertinent information forward. That's the reason that we're going to continue doing this and I see no reason to not continue doing it with Ethical Advocate," said Mapes.

Customer Service

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Importance

"Our people have clearly become more aware that when things seem wrong you shouldn't just sit idly by, that they should do something about it."

"We now have people discussing ethics and asking themselves 'Hey is this right?'"

Features

"One thing that was a huge plus to me and the company was the fact that the manuals, the website and everything else were multilingual, particularly Spanish."