

ICM ANNUAL CRISIS REPORT 2022

GLOBAL NEWS COVERAGE OF BUSINESS CRISES IN 2022

Issued July 2023

As the COVID-19 pandemic continued to wane in 2022, crises in the news had, as always, some predictable shifts and some surprises in store for the ICM experts. The **Institute for Crisis Management (ICM)** tallied **2,150,826 crisis news stories in 2022**, a decrease of just over five percent from 2021's record total. The number of stories that mentioned COVID decreased significantly during the year as vaccines were widely adopted and infection statistics finally trended downward. In one interesting result a category that skyrocketed beginning in 2020 unexpectedly continued to increase as varieties of COVID-related criminal schemes were uncovered and reported.

BUSINESS CRISIS DEFINED

Any issue, problem or disruption which triggers negative stakeholder reactions that can impact the organization's reputation, business and financial strength

TYPES OF BUSINESS CRISES

Sudden Perceptual Smoldering Bizarre

As the pandemic wound down, the numbers flopped and smoldering crises regained their status as the majority of crises stories tracked by ICM. For 2022, **56.74% of crises tracked were smoldering, and 43.26% were sudden crises**. Prior to 2020, ICM had typically found that smoldering crises accounted for 65% to 70% of the total.

CATASTROPHES

This category accounted for **20.81%** of the total, down from a record 36.61% in 2021. ICM attributes the change largely to the long-awaited retreat of the COVID-19 pandemic.

According to a report from *Statista*, 31 thousand people lost their lives in natural disasters worldwide (excluding COVID). Economic losses totaled more than \$300 billion. *EM-DAT*, the *Emer-*

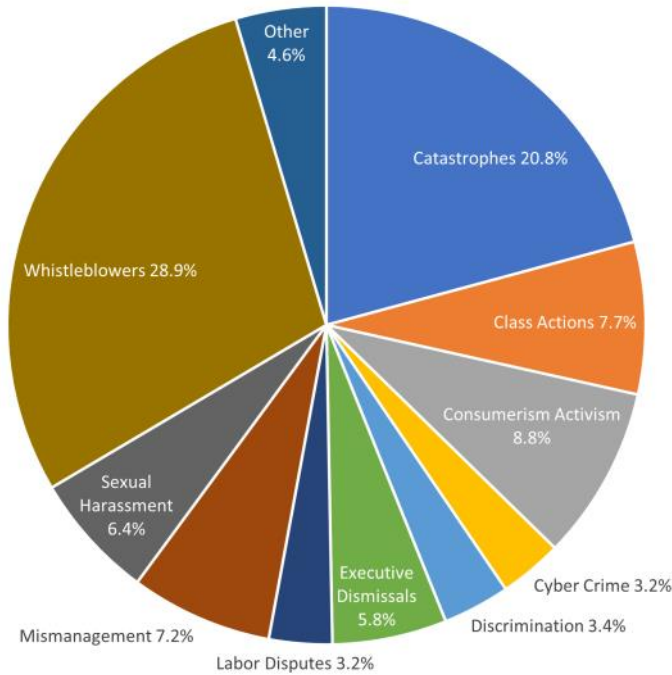
gency Event Database, reported 387 disaster events during the year. According to the report, fatalities were three times higher than 2021 but lower than the 20-year average. The Asian continent led the way with 137 events, followed by the Americas at 118. Storms and floods accounted for 284 of the 387 reported events. Extreme temperatures claimed the most lives, though, at more than 16 thousand. A June earthquake in Afghanistan claimed more than 1,000 lives and another in Indonesia in November killed at least 334. Flooding claimed nearly 1,800 lives in Pakistan and hundreds of lives in India, Afghanistan, and Brazil. Tropical Storm Megi in April claimed 214 lives in the Philippines.

Storm Eunice hit Ireland and the U.K. in February, claiming 16 lives and costing \$4.3 billion. In September in the U.S. and Cuba, Hurricane Ian had the largest economic impact, causing more than \$100 billion in damage, 130 fatalities and 40,000 persons displaced. Droughts in China and Brazil totaled more than \$12 billion in damage.

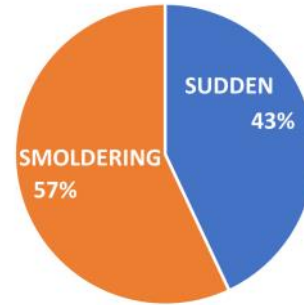
CASUALTY ACCIDENTS

Casualty accident stories were flat year-over-year at a paltry **0.13%** of the total. According to online news site *FlightGlobal*, commercial airliners experienced 12 fatal events in 2022 with 229 deaths. Only two of the events involved jets. Of that total, 134 of the fatalities occurred when a China Eastern Airlines 737-800 crashed, costing the lives of all 123 passengers and nine crew members onboard. The *International Air Transport Association (IATA)* reported just five fatal accidents, however. In another conflicting news story, the *Independent* reported six fatal accidents claiming 174 lives.

2022 CRISIS CATEGORY RESULTS



Sudden vs. Smoldering Crises



Other: Casualty accidents 0.13%; Defects and recalls 0.83%; Environmental damage 0.02%; Hostile takeovers 0.42%; White collar crime 1.80%; Workplace violence 1.39%

On the rails, the *U.S. Federal Railroad Administration* reported 2,193 collisions with 276 fatalities and 803 injuries in the U.S. during the year, compared to 2021's 2,147 incidents, 235 fatalities and 681 injuries. In March in the Democratic Republic of Congo, a freight train filled with stowaways derailed, killing at least 75 and injuring more than 125 others.

Mass shootings continued to dominate headlines in the U.S. According to an article in *USA Today*, 210 people died in 42 mass killings in the U.S in 2022. The worst event was arguably a shooting at an Uvalde, Texas elementary school that took the lives of 19 children and two teachers.

CLASS ACTIONS

Class action news jumped by several points to **7.70%** of stories tracked. Chicago law firm *Duane Morris LLP* reported, in its analysis of 537 class action decisions, several overarching trends including 15 cases that settled for \$1 billion or more. The report noted that class certification was obtained in 77% of cases, including high rates for securities fraud, FLSA, WARN and ERISA cases.

NERA Economic Consulting (NERA) reported that 205 new federal securities class actions were filed in 2022, a significant decrease over pre-pandemic levels. The NERA report noted aggregate settlements of \$4

FOUR-YEAR TRENDS

CATEGORY	2019	2020	2021	2022
Catastrophes	2.26%	37.15%	36.61%	20.81%
Casualty Accidents	0.68%	0.06%	0.11%	0.13%
Class Action Lawsuits	1.19%	3.83%	4.73%	7.70%
Consumer Activism	1.82%	7.44%	7.81%	8.76%
Cyber Crime	13.28%	2.93%	1.58%	3.21%
Defects and Recalls	2.59%	1.03%	1.10%	0.83%
Discrimination	11.92%	9.73%	3.52%	3.44%
Environmental Damage	2.26%	0.40%	0.07%	0.02%
Executive Dismissal	2.19%	2.47%	5.55%	5.80%
Hostile Takeovers	1.17%	0.33%	0.29%	0.42%
Labor Disputes	10.62%	1.30%	1.90%	3.19%
Mismanagement	19.56%	3.90%	3.95%	7.18%
Sexual Harassment	16.43%	3.77%	2.98%	6.35%
Whistleblower	8.13%	22.08%	25.94%	28.96%
White Collar Crime	4.32%	2.06%	1.94%	1.80%
Workplace Violence	1.59%	1.52%	1.91%	1.39%

billion, more than double 2021's total of \$1.9 billion.

According to a report by *ISS Securities Class Action Services*, investor class action settlements in 2022 totaled more than \$7.4 billion, an increase of more than 75% over the previous year. Notable settlements included Twitter: \$809 million; Teva Pharmaceuticals: \$420 million; Blackberry Limited: \$165 million and Walgreen's: \$105 million.



Forbes reported that mass torts and product liability suits accounted for more than \$50 billion in settlements, an increase of 267% over the prior year. Consumer fraud and antitrust class actions also had significant increases over 2021.

Among notable billionaire-club cases, British businessman Richard Branson faced shareholder claims that he covered up issues in the Virgin Galactic spaceship program and of selling hundreds of millions in stock at inflated prices. In one of the year's most reported-on events, Elon Musk was forced to complete his acquisition of Twitter after trying unsuccessfully to wiggle out of the deal throughout the summer. In an unusual case, bankrupt car rental company Hertz settled a class-action lawsuit which alleged that the company reported cars as stolen that had been legitimately rented and paid for. More than 200 former customers were involved in the \$168 million settlement.

CONSUMERISM / ACTIVISM

The category reached a high mark of **8.76%** of stories for 2022. Stories about consumerism continued to increase as people worldwide have

become increasingly vocal in their support or opposition to organizations based on their ESG—or environmental, social or governance efforts. Another popular acronym, CSR or corporate social responsibility, is the principle by which an organization takes part in initiatives, programs, philanthropy and business practices that promote positive social interaction across a variety of issues such as fair labor, charitable giving, environmental stewardship, diversity, equity and inclusion. Researchers at *Deloitte* found that consumers are more attuned than ever to what a brand stands for, and they vote with their feet and their wallets. Consumers want to do business with companies that share their values. Nearly half of consumers studied report being more loyal to brands that commit to addressing social inequities.

A British retailer found itself under fire online regarding its gender-neutral changing rooms, with some customers concerned about safety. Social media users called for a boycott of Home Depot after a conservative advocacy group founded by co-founder Bernie Marcus got involved in litigation challenging President Biden's student debt relief program. Numerous brands came under pressure to pull business out of Russia after its invasion of Ukraine in February. McDonald's, Coca-Cola and Pepsi were among the big-hitter brands under fire. Apple, Nike and Netflix suspended business following the invasion, as did TikTok, KPMG, PwC, Visa, MasterCard and American Express.

CYBER CRIME

While a fraction of their 2019 high, cybercrime stories doubled to **3.21%** of the total for 2022. In its annual report, the *Identity Theft Resource Center (ITRC)* reported 1,802 data compromises impacting more than 422 million victims. The ITRC said that supply chain attacks were 40% higher than malware attacks during the year. Among the biggest data compromises of the year were Twitter with 221 million victims; AT&T Data with nearly 23 million victims; and CashApp Investing, LLC with 8.2 million victims. According to an annual report from *IBM and the Ponemon Institute*, 83% of organizations

studied have experienced more than one data breach. In 2022, the average cost of a data breach increased by 2.6% to \$4.35 million. According to the report, companies with fully deployed security AI and automation saved \$3 million. Excluding the cost of ransom, the average cost of a ransomware attack was \$4.54 million. Eleven percent of breaches studied were ransomware attacks, up from just under eight percent the previous year.



In January, a third-party contractor reported more than a half-million Red Cross records were compromised. In an interesting twist, News Corp., one of the world's largest media companies, admitted server breaches dating back two years that appeared to focus on reporters covering China-related issues. In June, a former Amazon employee was convicted for hacking credit card giant Capital One in a scheme that affected 100 million customers. In another financial industry hit, credit bureau TransUnion refused to pay a \$15 million ransom to hackers who stole sensitive data.

In Australia, hackers demanded US \$10 million to recover 9.7 million sensitive records acquired from a major healthcare company. In an online forum the hackers declared, "society ask (sic) us about ransom, its 10 million USD. We can make discount... \$1 = 1 customer." In December two men were arrested for conspiring with Russian nationals to hack the taxi dispatch system at New York's JFK airport. In October, Uber's ex-security chief pleaded guilty to covering up a data breach from 2016. Uber was targeted in another incident where a hacker allegedly compromised the company's internal Slack network. In a shocking law enforcement incident, a hacker posing as a financial institution CEO allegedly accessed the FBI's

80-thousand member InfraGard database, an outreach program that shares sensitive information on national security threats. In December, Comcast customers got an unwanted holiday surprise when the cable and internet provider was hacked.

DEFECTS AND RECALLS

Stories about product defects and recalls decreased slightly to **0.83%** of the 2022 total. According to a report issued by the *U.S. Food and Drug Administration (FDA)*, total units recalled increased by 700% in 2022 compared to the previous year. While the number of recalls increased slightly to 423, the number of individual units recalled skyrocketed to 416.9 million, with an average recall at nearly one million units. The *U.S. Department of Agriculture (USDA)*, responsible for monitoring meat, poultry and processed egg products, reported just 46 recall events with a 98% drop in the number of pounds recalled over the previous year. Notable food recall events included Tyson Foods: 94,000 lbs. of ground beef; Foster Farms: 140,000 lbs. of frozen chicken patties and Kraft Heinz: 5,700 cartons of Capri Sun beverages.

In one of the year's most widely publicized recalls, Abbott Laboratories in February issued a voluntary recall of Similac, Alimentum and EleCare baby formulas due to potential bacterial contamination that led to the illness and death of infants.



According to the *U.S. National Highway Traffic Safety Administration (NHTSA)* 932 auto recalls in 2022 affected nearly 31 million vehicles. Sometimes recalls are updated, as was the case for several Takata air bag recalls that were upgraded to "do not drive" warnings. Elon Musk's Tesla holds the dubious honor of having the most recalls of any car

brand in 2022, accounting for four of the top five recalled models.

Toys and clothing are targets of frequent safety recalls. Professor Puzzle's rainbow stacker was recalled in November due to choking hazards. Clothing maker Bentex recalled 87 thousand Disney character children's clothing sets due to a lead poisoning threat. In other notable recalls, MamaRoo baby swings were recalled following the strangulation death of an infant. As many as two million units were affected.

General Electric recalled six refrigerator models that posed a fall hazard. U-Line freezers were recalled in October due to an overheating fire hazard. Magic Chef air fryers were recalled for fire and burn hazards.

DISCRIMINATION

Discrimination stories tracked were relatively flat at **3.44%** for 2022. The *U.S. Equal Employment Opportunity Commission's Office of General Counsel (OGC)* reported that it filed 91 lawsuits and resolved 96, obtaining nearly \$40 million for plaintiffs. The majority of new actions, 62, were filed under Title VII of the Civil Rights Act. The highest numbers of cases alleging discrimination were based on sex (45) retaliation (32) and disability (27). The OGC obtained positive outcomes for more than 1,400 individuals: 55% in Title VII claims and 35% for violations of the Americans with Disabilities Act.

In one notable case against Activision Blizzard Entertainment (being acquired by Microsoft), the EEOC won an \$18 million judgment for plaintiffs and a three-year consent decree related to claims of sexual harassment, pregnancy discrimination and retaliation against those who complained. In an ADA case, a medical center in Louisiana entered into a consent decree and paid \$450 thousand in backpay and damages to individuals who were refused employment or discharged due to their disabilities.

In Massachusetts, a complaint was filed against a McDonald's franchise after employees

stuffed a fish sandwich full of bacon and served it to a Muslim woman's child. Real estate company Redfin settled a case in which the National Fair Housing Alliance alleged that the firm's minimum housing price policy discriminated against homeowners in non-White service areas. Meta, formerly Facebook, entered a settlement with the U.S. Department of Justice in which it agreed to eliminate features in its advertising platform that allowed various housing marketers to discriminate against people protected by federal civil rights laws.

Tech companies have been under fire for alleged discrimination in India based on caste. A pending case against Cisco is believed to be the first in the U.S. about alleged casteism. Activist groups have been lobbying for legislative changes in the U.S. to update discrimination law to address the problem.

Age-based discrimination also continues to thrive. In Toronto, Ontario a 58-year-old female newscaster was axed after she let her hair go gray during the pandemic, stoking a rising viewer backlash. Her 77-year-old male co-anchor received a



special send-off upon his retirement.

In a positive move to address racial discrimination, the makers of Dove beauty products contin-

ued a mission to make race-based hair discrimination illegal nationwide. Research has found that 53% of Black mothers said their child experienced discrimination based on their hair as young as age five. As of this writing, the CROWN Act—Creating a Respectful and Open World for Natural Hair—is law in 22 U.S. states.

ENVIRONMENTAL DAMAGE

The lowest of the 16 categories we track, environmental damage stories decreased for the fifth consecutive year, coming in at just **0.02%**. In a case dating to 2017, The Israel Chemical Company agreed to pay US \$33.7 million to restore the Ashalim Stream and to compensate for environmental damage caused by an acid spill. In Michigan in August, Wixom-based auto industry supplier Tribar Manufacturing acknowledged it released several thousand gallons of liquid containing hexavalent chromium into the Huron River sewer system. The company has had previous contamination incidents. In South Africa, damage from a rare flash flood in KwaZulu-Natal was made worse by extensive impact from a chemical spill and a non-functional wastewater treatment facility.

In Australia, just days before releasing a study promoting expansion of its operation, waste-handling company Veolia admitted to breaching environmental protocols at its Woodlawn facility near Tarago, igniting community outrage.

Three incidents in January in the U.S. prompted calls for EPA action, including a fire at a New Jersey warehouse that spread to a chemical plant, a storage tank explosion in Louisiana and a fire at a fertilizer plant in North Carolina. In December, the controversial Keystone oil pipeline leaked more than 14 thousand barrels of oil into a Kansas creek. During the year, seven tanker oil spills of more than seven tons were reported, spilling more than 15 thousand tons of crude, bitumen and fuel oil into the marine environment. While this figure is higher than the previous few years, tanker spills have decreased dramatically as safety has improved over the past 50 years.

Barrick Gold Corp., a mining concern in Canada, came under fire in 2022 when experts and others expressed concerns about toxic spills of mercury and other heavy metals in its Veladero, Argentina mine, owned jointly with a Chinese firm.

EXECUTIVE DISMISSALS

CEO departure stories increased slightly over the previous year at **5.80%**. According to a report from

consulting firm *Challenger, Gray & Christmas*, CEO changes at U.S. companies dropped eight percent from 2021, with 1,235 exits reported, the lowest number since 2017. According to the report, there were 271 exits in the non-profit/government sector, 137 in the tech sector, 111 in healthcare products and 103 in hospitals. Fintech exits doubled over the previous year. Seven CEOs reportedly stepped down due to misconduct allegations, more than three times 2021's report. Departure reasons were not provided in 288 cases, nearly double last year's total. Reported CEO turnover at public companies was flat year-over-year at 199.



The shocking collapse of crypto exchange FTX earned ex-CEO Sam Bankman-Fried indictment and extradition to the U.S. from the Bahamas. Walt Disney Company's Bob Chapek's turn at CEO was short-lived when the company ousted him and reinstalled former CEO Bob Iger after Chapek lost the confidence of the Board and Wall Street.

Notable departures included CNN's Jeff Zucker; Volkswagen's Herbert Diess; Carnival Cruise Lines' Arnold Donald; Cummins Inc.'s Tom Linebarger; Sonia Synal of retailer GAP; now-bankrupt Bed Bath & Beyond's Mark Tritton; Dan Springer of DocuSign; and the CEOs of Lockheed Martin, Under Armour, Biogen, Starbucks, American Airlines and Southwest Airlines, Wing Stop, Peloton and Johnson & Johnson.

HOSTILE TAKEOVERS

Hostile takeover stories continued a pandemic trend, tracking at just **0.42%** of the total. Elon Musk garnered headlines in multiple crisis categories during the year. His most notable involved a messy takeover of Twitter following an overpriced offer, buyer's remorse and melodrama that finally ended when he was forced to complete the acquisition to avoid lengthy and costly litigation. Musk generated even more headlines when he promptly fired half the

staff and gave himself the ill-conceived but appropriate “Chief Twit” moniker.

In other takeover news, the U.K.’s Virtus Health, an IVF provider, was slammed in a heated takeover battle when it alleged that one of its suitors distributed inaccurate information to investors. Other notable takeovers included a controversial acquisition of Indian news channel NDTV by billionaire Gautam Adani’s conglomerate Adani Group, and Microsoft’s proposed acquisition of Activision Blizzard. In the first quarter, shareholders rejected SeaWorld’s proposed \$3.4 billion takeover of Cedar Fair, L.P. as not in the company’s “best interest.” Media company Lee Enterprises’ shareholders rejected a takeover bid from industry consolidator Alden Global Capital that reportedly also led to a quiet layoff of local editors and staff.

LABOR DISPUTES

Still lower than a 2019 pre-pandemic high, labor dispute stories returned to their 2017 level at **3.19%**. The *U.S. Bureau of Labor Statistics (BLS)* reported 23 major work stoppages during the year. The BLS defines a major work stoppage as involving more than 1,000 workers and at least one shift



during the workweek. BLS reported more than 120 thousand workers involved in stoppages, with 98% of those in service-providing industries including education and health services.

Thousands of northern California nurses at two hospitals walked out over staffing issues, salary, benefits and several other economic concerns. In Colorado, members of the United Food and Commercial Workers Local 7 announced a vote to strike against King Soopers grocery stores, owned by Kroger. The union earlier filed a lawsuit in federal court alleging that the company was using third-party staffing services to fill union-covered work.

Major League Baseball worked through a months-long player lockout that began in December 2021, the second longest in baseball history. The impasse ended on March 10, 2022 when an agreement was reached. In Edmonton, Alberta, locked-out members of the Boilermakers Local 146 were incensed when members of the Teamsters Local 362 crossed the picket line to conduct a heavy-duty move of a pressure vessel. Boilermakers grudgingly stepped aside and allowed the Teamsters access in the interest of safety.

President Biden signed legislation to avert a potentially devastating national rail strike in December after Congress passed a bill to impose a tentative contract deal after four of the twelve unions involved rejected the September proposal.

Timber giant Weyerhaeuser was hit with a 46-day strike in Washington state after contract negotiations fell apart. Union members objected to company proposals that decreased retirement benefits and increased worker medical premiums. Nearly the entire workforce at Calgary, Alberta’s Loblaw distribution center received layoff notices after the grocery giant walked away from the bargaining table, according to union representatives. In New Zealand, manufacturer Purex threatened 67 locked-out workers with more than \$500 thousand in damages in actions likely to have prolonged the conflict between workers and management.

MISMANAGEMENT

Still considerably lower than its 2017 high mark, tales of mismanagement increased year-over-year to **7.18%** of stories tracked. According to records from the *U.S. Department of Justice*, white collar prosecutions hit an all-time low since tracking began in the 1980s. In one of the biggest mismanagement sagas of the year, Bahamas-based crypto currency company FTX experienced a stunning house of cards collapse that landed founder-CEO Sam Bankman-Fried in jail and a bankruptcy filing prompted by what was characterized as “a complete failure of corporate control.” The collapse stunned crypto markets that were already

reeling from a \$2 trillion crash in May.

A former executive for Contech Engineered Solutions got an 18-month prison sentence in a bid-rigging case. The company had previously pled guilty to bid-rigging and conspiracy charges. In a wide-reaching price-fixing case, Chick-fil-A settled its suit against Tyson Foods that alleged a conspiracy with it and seven other producers to fix and inflate chicken prices.

In New Zealand, cross border logistics company QEX Logistics was fined \$150 thousand for a failure to advise the market of material information on three separate occasions. In Chicago, a 21-count indictment in federal court accused Chinese telecom company Hytera Communications Corp. Ltd. of stealing technology secrets from Motorola Solutions, Inc.

SEXUAL HARASSMENT

Beginning to climb back to pre-pandemic levels, sexual harassment news stories more than doubled year-over-year to **6.35%**. San Antonio, Texas-based Lone Star Ambulance agreed to pay \$90 thousand in damages to two female employees who were subject to ongoing sexual harassment and unwanted touching. A San Antonio wireless products retailer agreed to pay \$30 thousand in damages in a similar case. In another Texas case, a Chili's Grill and Bar franchise was charged by the EEOC, alleging that a male cook sexually harassed teenage female employees. The same franchise owner was charged in a similar case in an Arkansas restaurant. Retailer Lowe's agreed to pay \$700 thousand in a case where management failed to take steps to address multiple, repeated complaints against a male employee in Lake Havasu City, Ariz.

Research conducted by the *International Public Management Association for Human Resources* found that sexual harassment is decreasing but still common in U.S. federal government agencies. The study reported that nearly 15% of federal employees said they had experienced sexual harassment in the workplace. A scathing report from a consulting firm charged that oil-and-gas giant Chevron fos-

tered a toxic corporate culture at several of its sites in Australia where bullying and sexual harassment were rampant.

In one win for U.S. abuse victims, in December the Speak Out Act was enacted prohibiting forced arbitration in sexual harassment and assault cases.

WHISTLEBLOWERS

In a surprising result and replacing mismanagement as the highest single category of crisis news stories, whistleblowing broke records at **28.96%** of stories tracked, a three-point increase



over 2021 and a whopping 20-point increase over pre-pandemic reports. *The U.S. Securities and Exchange Commission (SEC)* reported 103 rewards in 70 covered actions totaling \$229 million for fiscal year 2022, which ended September 30. In July, a single whistleblower was awarded \$17 million. The agency also reported 12,300 tips alleging wrongdoing, a record number that was more than doubled from pre-pandemic numbers.

In other whistleblower cases, the U.S. Federal Aviation Administration (FAA) and Southwest Airlines were under scrutiny after multiple whistleblowers alleged mismanagement and a lack of oversight by the FAA office monitoring Southwest. In Killeen, Texas, the U.S. Department of Labor (DOL) accused a local newspaper of retaliating against an employee who reported insect infestations in the office.

Twitter grabbed headlines for numerous issues besides its feisty billionaire takeover. In September, Twitter's former security chief testified before Congress that the social media company knowingly employed agents from China and India, giving those nations access to sensitive data about its users. In Australia, a former Taxation Office employee

worked to avoid prosecution for blowing the whistle on aggressive seizure tactics employed by the agency. Back in the U.S., the DOL ordered oil company ExxonMobil to reinstate an employee it terminated following allegations they leaked information to the *Wall Street Journal* regarding the value of oil and gas wells in the Texas Permian Basin. Pharma giant Bayer agreed to pay \$40 million to settle allegations of violations of the U.S. False Claims Act in connection with three of its drugs.

WHITE COLLAR CRIME

White collar crime stories remained flat at **1.80%** of stories tracked, a three-point decrease over 2019 levels. In a widely reported case



conservatives called politically motivated, the Trump Organization was convicted of nine counts of tax fraud and fined \$1.76 million. Trump's former CFO had previously pled guilty to tax evasion and cooperated with investigators in the case. In Florida, a federal jury convicted a Georgia man for his role in a scheme to defraud Medicare of more than \$460 million in a fraud and kickbacks case. In May in Pennsylvania, the CEO of Ethos-Gen, LLC, James Abrams, was indicted on allegations he provided forged documents and false information to induce several investors to invest \$1.1 million in his company. Abrams used the proceeds to purchase a personal residence.

Goldman Sachs found itself in hot water again when a former managing director was convicted of violating the U.S. Foreign Corrupt Practices Act in a multi-billion dollar scheme involving the corruption of high level officials in Malaysia and the

United Arab Emirates. In September a Silicon Valley medical technology company president was convicted in a \$77 million scheme involving false claims for COVID-19 and allergy testing.

WORKPLACE VIOLENCE

The year saw a slight decline in workplace violence stories at **1.39%**. Numbers have remained fairly steady since increasing significantly back in 2018. A report from *EnterpriseAppsToday* cited a number of statistics about workplace violence. In the U.S., less than half of workers are aware of their company's workplace violence prevention initiatives. Four in ten nurses have experienced some form of workplace violence. According to *Forbes*, workplace violence costs businesses \$250-330 billion. According to the *National Crime Victimization Survey (NCVS)*, robbery is the most common reason for work-related homicide, accounting for 85% of workplace violence deaths. OSHA reports that the retail sector has the highest rate of workplace violence victimization. Violence against healthcare workers has continued to increase, reaching crisis levels during the COVID pandemic. A large proportion of attacks against nurses in particular were underreported. In Hackensack, New Jersey, a travel nurse was accused of setting a coworker on fire in a staff break room, later fleeing by car.

In Chesapeake, Virginia, a Walmart manager opened fire in the store, killing six coworkers and injuring six more before turning the gun on himself. In Memphis, Tennessee, a former FedEx employee faced attempted murder charges after shooting a coworker. An argument between two Arby's Restaurant employees ended when one shot and killed the other. A man shot and killed a coworker at a Hyundai dealership in Louisiana. In May in Buffalo, New York, ten were killed and three injured when an 18-year-old opened fire in a Tops Friendly Market. In July south of Indianapolis, Indiana, three people were killed and two injured inside a shopping mall before a civilian bystander shot and killed the 20-year-old shooter.

TAKEAWAYS

Among the most interesting 2022 findings were the continued increases in whistleblower stories and the ability of one individual to dominate the headlines in multiple categories. Downward trends in mismanagement, white collar crime, harassment and discrimination stories don't necessarily mean that events have decreased, rather that other kinds of events are dominating headlines.

ICM is **still experiencing demand** for crisis communication training, especially for other professionals who **need a solid foundation** of crisis management fundamentals. Still, there are leaders who continue to play Russian roulette in the belief that they don't need a comprehensive crisis management and communications plan. **The investment in planning and preparedness is small** compared to the human and financial costs of dealing with a crisis or disaster absent a strategy.

We continue to urge leaders to:

- **Involve boards of directors** in crisis management. Not only do they have a fiduciary duty, but their leadership can create the sense of urgency needed to engage in crisis prep.
- **Invest in planning and training.** Hire outside help if needed (info@crisisconsultant.com).
- **Evaluate your company's vulnerabilities** for the categories of crises in this report and **develop strategies to manage them.**
- Retain the lessons learned in the pandemic and **update your crisis plan** to address a widespread disaster.
- If you have a plan that has not been updated recently, dust it off and make the needed changes. Follow that with **training exercises to build crisis team skills** and prepare them to act when an issue or crisis erupts.

Call ICM today to help you get started!

ABOUT THE AUTHOR

A **globally certified** strategic communication management professional (SCMP®), business leader, trainer, coach and consultant with more than 35 years' experience, **ICM CEO Deborah Hileman, SCMP** has led high-performing teams in numerous industries in public and private, for-profit and non-profit organizations. She is a FEMA-trained NIMS Incident Commander with experience as a national EMS public information officer during numerous hurricanes.



Known as an objective **voice of calm in chaos**, Ms. Hileman has earned a reputation as a **trusted strategist and advisor** to board members, C-Suite executives, operations leaders and crisis teams. **She has trained hundreds of professionals**, teaching them to 'think on their feet' and manage through tough situations before, during and after crisis.

An avid speaker and writer on business communications topics, Ms. Hileman is a regular columnist for PRNews' *Crisis Insider* and other publications. **She has delivered training and lectures at several U.S. universities**, including Notre Dame, Marquette, Cornell, and the Universities of Chicago, Kansas and Miami.

She lives and works in South Bend, Indiana and is active with the International Association of Business Communicators® where she is a former member of its international executive board. She is a past chair of the Global Communication Certification Council®, the only ANSI/ISO Accredited international certification body for communications professionals. In June, Ms. Hileman was elected to the Board of Directors of the Geneva, Switzerland-based International Association of Risk and Crisis Communications (IARCC).

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2023 CRISIS

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