

**Issue ID:**

IS-001585

**Issue Name:**

Governance and supervision controls related to Prudential Annuities Distributors, Inc. (PAD)

Outside Business Activities (OBAs) and personal investments in private securities transactions (e.g. passive investments) needs improvement.

**Root Cause Explanation:**

The root causes are primarily attributable to the overreliance of self-disclosure by RRs and a lack of consideration to use additional outside data to detect discrepancies in on-going OBA recertifications as well as a lack of firm-wide protocols for system changes to consider regulatory impacts.

**Issue Rating:**

Medium Repeat Issue: No

Status: Open Issue Target Date: 10/31/2024

**Operating Division:**

USB-Individual Solutions Group

**Risk Category:**

10. Regulatory Compliance

**Risk Sub-Category:**

10.6 Conflicts of Interest

**Root Cause Category:**

Process