2017 Compliance and Ethics Institute Preview Webconference
May 17, 2017

Agenda

• Welcome
  — Adam Turteltaub, SCCE
• Why They Do It: Inside the Mind of the White-Collar Criminal
  — Professor Eugene Soltes, Harvard Business School
• Don’t be Another Fish in the Net
  — Mark Lanterman, Chief Technology Officer, Computer Forensic Services
• Recent Developments in Compliance and Ethics Law
  — Rebecca Walker, Partner, Kaplan & Walker
• The Compliance Officer & The Digital Era
  — Samantha Simms, Global Data Protection and Privacy Officer, Carlson Wagonlit Travel;
  — Johan E. Thorell, Director EMEA Compliance, Carlson Wagonlit Travel
• CEI Highlights
Eugene Soltes
Jakurski Family Associate Professor of Business Administration
Harvard Business School

Rajat Gupta Convicted of Insider Trading
SEC Accuses Leon Cooperman of Insider Trading

* Former Real Estate Investing Executive Is Charged With Fraud *

3 Former Tesco Executives Charged With Fraud Over Accounting Scandal

Ex-BlackRock Fund Manager Mark Lyttleton Charged With Insider Trading

Former KPMG Partner Scott London Gets 14 Months for Insider Trading

Ex-Deutsche Bank Executives Among 13 Charged in Paschi Probe

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It is hard to understand why someone who has reached the pinnacle of success would risk all that for more...

-Judge Richard Sullivan
You never really understand a person until you consider things from his point of view...until you climb into his skin and walk around in it

-Atticus Finch, To Kill a Mockingbird
Possible explanations...

Psychology
Sociology
Economics
Criminology
Neuroscience
Physical Anthropology
Philosophy

To perpetrators, corporate misconduct often doesn’t feel harmful

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It didn’t damage anybody...

it was, in my mind, a very small thing dealing with small dollars

Compliance Obstacles

1: Impossible to specify how to appropriately respond to all “gray” decisions

2: Individuals reinterpret and rationalize rule deviation
Show me where it says I can’t...

“There is not a single point where I could say, you know something, I would have done something different over here or this would have been a red flag…”

-Tax structuring exec

We can hold the view that we’re honest, while still being dishonest
Cultivate confidence and humility on how to respond to difficult decisions

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EUGENE SOLTES
WHY THEY DO IT
INSIDE THE MIND OF THE WHITE-COLLAR CRIMINAL

info@epa.com
Don’t Be Another Fish in the Net

Mark Lanterman
Chief Technology Officer
Computer Forensic Services

*From:* Google <no-reply@accounts.googlemail.com>
*Date:* March 19, 2016 at 4:34:30 AM EDT
*To:* @gmail.com
*Subject:* Someone has your password

Someone has your password

Hi

Someone just used your password to try to sign in to your Google Account @gmail.com.

Details:
Saturday, 19 March, 8:34:30 UTC
IP Address: 134.249.139.259
Location: Ukraine

Google stopped this sign-in attempt. You should change your password immediately.

CHANGE PASSWORD <https://bit.ly/1Pib8UD>

Best,
The Gmail Team
You received this mandatory email service announcement to update you about important changes to your Google product or account.
Someone has your password

Hi John

Someone just used your password to try to sign in to your Google Account john.podesta@gmail.com.

Details:
Saturday, 19 March, 8:34:30 UTC
IP Address: 134.249.139.239
Location: Ukraine

Google stopped this sign-in attempt. You should change your password immediately.

CHANGE PASSWORD <https://bit.ly/1PibSUD>

Best,
The Gmail Team

You received this mandatory email service announcement to update you about important changes to your Google product or account.

CEO Spoofing
Fifth Third Bank sued over $52 mln in fraudulent wire transfers

By Dena Aubin

The lawsuit by privately held Upsher-Smith Laboratories said Fifth Third made the transfers on the order of a single Upsher-Smith employee in accounts payable without confirming the transactions with anyone else at the drug company.
Recent Developments in Compliance and Ethics Law

Rebecca Walker and Jeff Kaplan
Kaplan & Walker LLP
Session 305 - October 16, 2017 at 3 pm

Overview of the Presentation

• Review recent developments in law related to C&E, including
  – Case law
  – Deferred prosecution agreements
  – C&E-related government pronouncements
• Explore the legal treatment of privilege in the C&E context
• Consider strategies and advantages of using C&E legal developments in risk assessment, training and in other ways to enhance your program
Enforcement, DPAs and NPAs

- Changes in white collar enforcement in light of the new Administration?
  - Continued focus on FCPA?
- Extension of FCPA Pilot Program
- In 2016, DPAs and NPAs continued apace
  - Monitor and compliance requirements
- Declinations with significant compliance requirements
- UK – Serious Fraud Office enters into third DPA
- France – Legislation to approve DPAs

DOJ Fraud Section
Evaluation of Corporate Compliance Programs

- Posted on DOJ website in February 2017
- “Common questions that we may ask in making an individualized determination.”
- Eleven categories of questions to facilitate program evaluation, including (among others)
  - Autonomy and resources
  - Risk assessment
  - Policies, procedures, training and communications
  - Confidential reporting and investigation
  - Incentives and disciplinary measures
  - Continuous improvement and review
Rolls Royce DPA

- Agreements with DOJ, SFO and Brazilian enforcement authorities
- Both US and UK entered into DPAs with Rolls Royce, both of which include compliance program requirements
- DOJ DPA
  - Periodic risk assessment
  - High-level commitment
  - Compliance policies and procedures
  - Responsible executive with authority to report directly to independent monitoring bodies, adequate autonomy, sufficient resources and adequate authority
  - Training and certifications
  - System for providing guidance and advice
  - Effective systems for internal and confidential reporting
  - Process for responding to, investigating and documenting allegations of violations
  - Effective enforcement and discipline for violations
  - Monitoring and testing

Using Developments to Advance Your Program – Example of Investigations

- DOJ Evaluation Guidance
  - How has the company ensured that the investigations
    - have been properly scoped
    - were independent and objective
    - appropriately conducted
    - properly documented?
  - Has the company’s investigation been used to identify root causes, system vulnerabilities, and accountability lapses, including among supervisory manager and senior executives?
  - What has been the process for responding to investigative findings?
  - How high up in the company do investigative findings go?
- Rolls Royce
  - Effective and reliable process
  - Sufficient resources
  - Respond to, investigate and document allegations of violations
The Compliance Officer in the Digital Era

17 May 2017
Samantha Simms – Director, Global Privacy Officer
Johan Thorell – Senior Director, Compliance & Privacy EMEA

“We Have a New Digital Strategy …”, said the CEO
What Does Digital Mean to You?

What Does Digital Mean to Us

CWT 1.0  CWT 2.0  CWT 3.0
Stakeholder Expectations

Annual Worldwide Turnover

Making the Right Choices for the Road Ahead

Considerations:
- The Compliance Officer’s Skillset
- Revised Privacy Program
Other Highlights

- 150+ speakers
- 8 learning tracks to choose from: risk, case studies, ethics, hot topics, compliance lawyer, international, IT, Advanced Discussion Groups
- Full-day professional skills development pre-conference workshop
  - Topics include: influence, collaboration, communication and negotiating
More Highlights

- SpeedNetworking and SpeedMentoring on October 15
  – Complimentary but separate registration required
- Silent Auction to benefit America’s Fund
- Multiple networking opportunities throughout, including two receptions

Next Steps

- Register for the 2017 Compliance Institute
  – www.complianceethicsinstitute.org
  – Register by June 5 to save up to $575
- Book your hotel accommodations
  – Details at www.complianceethicsinstitute.org