



SCCE's 7th Annual
Compliance & Ethics Institute

September 14–17, 2008
 Sheraton Chicago Hotel & Towers
 Chicago, IL

Implementing a Global Ethics & Compliance Program

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One Code, Globally

Global Issues in the Deployment of One Code for All
 Employees, Worldwide

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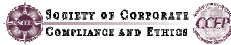
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Concerns About “US” Codes

- Highly US Centric?
- Full of references to US law?
- Offers examples from US-based operations only?
- Makes implicit assumptions from a distinctly “American” viewpoint?

- Multiple Codes Worldwide?
- Country-specific Code supplements?



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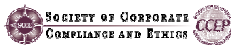
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Advantages to Single Code Model

- Code of Conduct: powerful culturally unifying tool.

- No confusion over Code certification:
 - What is employee certifying to have read?
 - English version for US?
 - Japanese version for Japan?
 - English version for Japan?
 - Primary Code + Japanese supplement?
 - Primary Code but not Japanese supplement?
 - Japanese supplement but not Primary Code?

- Translation/version issues implied above.



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Challenges to Single Code Model

- National and regional laws differ from place to place
 - How can a single Code address all of this detail?
- Privacy laws
 - Significant implications for whistleblower systems in some countries.
 - How can a single Code be appropriate, given these differences?
- Cultural assumptions differ from place to place
 - How can one Code communicate equally to employees worldwide?

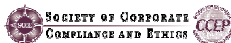


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Differences in National or Regional Law?

- Good Codes do not cover specifics of particular laws in detail.
 - Deep dives into specific laws cause Codes to lack accessibility
 - Should focus on Values and Principles
 - Let users know how to get guidance when needed.
- Detail local requirements
 - Through targeted training
 - Through localized communications
- Same point regarding Conflicts of Law
 - Enough to advise users to get help

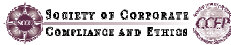


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EU (e.g. France) Privacy and Data Protection?

- Anonymous Reporting –
 - Simply remove “anonymous” from reporting discussion
 - Use local training and communications to advertise anonymity feature where appropriate.
- It is false that non-SOX issues cannot be reported
 - Data on non-Sox issues captured in accordance with CNIL standards.
 - Paring out non-SOX cultural and legal risks is short-sighted response
 - Discrimination
 - Harassment
 - Workplace Violence
 - Intellectual Property

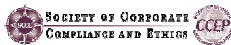


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Need for Cultural Adaptation?

- Put Code through “cultural filter” process.
 - Minimum requirement: cultural neutrality
 - Target: cultural sensitivity and intercultural awareness
- “Something for Everyone Rule”
 - Examples and hypotheticals drawn from all operating locations
 - Something for each employee in one or more examples, not all examples
 - Not only inclusive, but can be instructive toward greater understanding of global counterparts
 - Everyone is part of company’s distinct, unified, ethical culture.

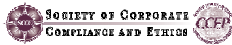


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Leverage Global Resources

- Before you start!
- Assemble Global Steering Committee
 - Gather valuable contributions
 - Increase odds of favorable global reception
 - Global participants in steering committee become champions




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Training for a Global Culture of Integrity

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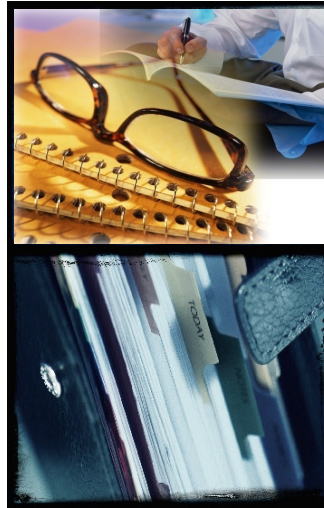


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Agenda

- Introduction
- How to Make it Stick
- Training that Works
- Conclusion



Introduction

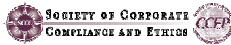
A Strong Culture of Integrity comes from an organization's ability to effectively and consistently:

- *Comply with laws and requirements*
- *Address matters ethically and honestly*
- *Promote an open environment*
- *Communicate requirements and expectations to employees and provide training*
- *Enable ethical leadership*
- *Achieve employee loyalty*

Building the Framework

At BearingPoint, we've built a framework to enable a strong culture of integrity by:

- Standing up a team devoted to ethics and compliance across the organization
- Creating a Standards of Business Conduct that was applicable and unifying in its language
- Establishing a friendly reporting tool/hotline (Guideline)
- Designing a process to consistently and ethically handle matters
- Developing engaging/entertaining training that spoke to BearingPoint's business



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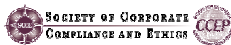
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Make it Stick

“For an idea to be sticky, it must be understood, remembered, and change opinions or behaviors.”

“Our favorite marketing example is Jared, the Subway spokesperson who lost 245 pounds eating Subway every day.”

***Chip & Dan Heath
Authors, “Made to Stick”***



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Made to Stick: Six Requirements

1. Simple
2. Unexpected
3. Concrete
4. Credibility
5. Emotions
6. Stories



"Made to Stick" by Dan and Chip Heath

Our Goal

Our goal was to create training that would “stick” in the minds of our employees and help to further our culture of integrity.

We decided to develop a training with a storyline that would:

- Generate interest and emotional appeal
- Have characters employees could identify with and a plot that builds
- Be similar to documentary TV-style entertainment (i.e., The Office)
- Build excitement and create a following

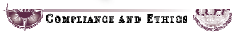
Training Objectives

BearingPoint built a video training series that takes the following in to consideration:

- 85% of our employee population consists of client-facing consultants
- Our consultants face these issues (time constraints, connectivity issues, client and co-worker relationships, etc.) on engagements
- Making the material as easy as possible to retain by resonating with our consultants' experiences



The training targets the "life of a consultant" by following the daily business activities of a fictional consulting company named "Aggrieva"



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Why "Aggrieva?"

In 1963, Avis created the "We try harder" campaign to "stick it to Hertz." Over 40 years later, they created innovative commercials (using a phony company) to continue the rivalry.



"We try hard."

vs.



"Aggrieva" works as BearingPoint's evil Doppelganger in the same way!

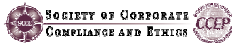


"We get it done."

vs.



"We get it done RIGHT."



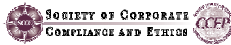
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The Training Format

Last year's training (Season 1), titled "The Engagement", consisted of 10 short modules, each containing:

- 4-6 minutes of "The Engagement" scenario (addresses dilemmas faced while working on projects)
- A "reflection" slide
- 2-3 minutes of a C-Level Executive discussing the message of the video
- A reminder of our GuideLine contact information, BearingPoint's one-stop ethics and compliance hotline



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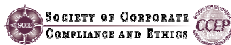
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Training Themes

•Major themes in the training include:

- Client/coworker relationships
- Diversity, sexual harassment, cultural sensitivity
- Conflicts of interest
- Accurate financial reporting including expense reimbursement
- Confidentiality & privacy
- Gifts and entertainment



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The Creation Process

- Held Focus Groups to identify issues and create character archetypes
- Organized filmmakers, and production team
- Scripted story – used real, line employees to get feedback on drafts
- Filmed all ten episodes in one very long weekend!

Video



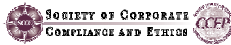
Show Compilation Video

The Results

•We have received excellent feedback from viewers including:

- “Congratulations on a great concept for internal training. These topics can be dry. However, I actually find myself looking forward to the next training episode. That’s a first.”
- “I honestly have marked my calendar for the future releases of Aggrieva and truly look forward to them. Those guys are great!”
- “The concept is working. I’ve actually found myself looking forward to the next episode much in the same way you would a television series program you’ve taken an interest in. Even through the humor though, the messages are clear. I think this is an effective format and medium.”

This year’s training (Season 2) titled “The Proposal” follows the same format and addresses dilemmas faced while working on business development



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**Administrative Components and
Practical Implementation Mechanics of a Global Ethics
& Compliance Program**

Richard C. Paice, Esq.
Vice President & Chief Compliance Officer
Sojitz Corporation of America

About Sojitz

- Global Trading Company
 - www.sojitz.com, www.us.sojitz.com
 - Parent company, Sojitz Corporation, is listed on the Tokyo Stock Exchange
 - Sojitz Corporation of America is a privately held, wholly-owned subsidiary of Sojitz Corporation, headquartered in New York City
- Regional Compliance Program (Initial Roll-out*, October 2007)
 - Argentina
 - Brazil
 - Canada
 - Mexico
 - Peru
 - United States
 - Venezuela

* Publication of Code of Conduct and Ethics in each Americas jurisdiction; ethics hotline goes live in the Americas; commencement of e-learning and general training program in the Americas



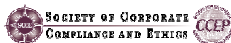
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About Sojitz

- Expansion of Regional Compliance Program (4th Quarter 2008, 1st Quarter 2009**)
 - Czech Republic
 - France
 - Germany
 - Italy
 - Poland
 - Russia
 - Spain
 - Turkey
 - United Kingdom

** Incorporation of ASEAN country operations into ethics hotline also under discussion

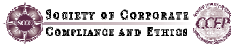


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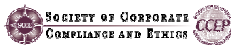
Sojitz Paradigm

- *Step One: Communications Plan*
 - management buy-in
 - cross-functional leveraging
 - multiple pre-roll-out /pre-course communications
 - in-process communications
- *Step Two: U.S. Roll-out of Relevant Policy*
 - risk assessment
 - policy development (internally and with external counsel)
 - publication of policy (e-mail, intranet, hard copies)
 - training on policy (e-learning, live-training)



Sojitz Paradigm

- *Step Three: Localization and Pushdown of Relevant Policy throughout all Americas Jurisdictions*
 - compliance review of policy by national law firm in each Americas jurisdiction
 - localization of language
 - “negotiation” of comments received from respective national law firms
 - translations of policy into Japanese, Spanish, Portuguese
 - review of translations by local law firms / internal legal department
 - publication of policy (e-mail, intranet, hard copies)
 - training on policy (e-learning, live-training)



Vendor Selection and Management: Pre-Selection

- What are your internal capabilities?
 - Do you have resources? (financial and human resources)
 - Cross-functional support? (legal, HR, IT, management, business)
 - How will programs be administered? (internally v. by vendor)
- Structured RFP Process
 - Research vendors
 - Develop common program criteria requirements (non-exhaustive)
 - Legal expertise
 - Training programming quality
 - Ability to customize courses
 - “Off-the-shelf” library pertinent to address company risks
 - Hosting and learning management system capability
 - International capabilities
 - Foreign language capabilities and offerings

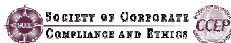


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Vendor Selection and Management: Pre-Selection

- Submit RFP to finalist vendors
- Invite vendors in for dog-and-pony show (cross-functional team buy-in, management buy-in)
- Final Selection
 - People match
 - “There’s no going back...”
 - Long-term business partner relationship

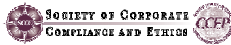


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Vendor Selection and Management: e-Learning (Training)

- e-Learning (Training) Vendor
 - Where are you operating? (Does vendor offer U.S.-centric training v. global or regional training?)
 - Where is vendor operating? (If vendor is a U.S. vendor, is it safe harbor-registered so that training may be delivered to European employees, for example? International data privacy laws need to be evaluated.)
 - What are your risks? (Does vendor address your training needs?)
 - Who are your employees? (In which foreign languages does vendor offering training?)
 - What other services does vendor provide?
 - How will training program certifications be saved? Does vendor offer records management services?
 - How are training course notifications to employees issued? Does vendor manage all employee communications concerning training?
 - How will course completion be monitored? Does vendor use an accessible database system to track course completion?



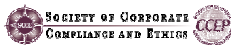
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Vendor Selection and Management: Ethics Hotline

- Ethics Hotline Vendor
 - Does vendor offer a hotline reporting system that is globally available to all, regardless of time zone and the technology available?
 - Does vendor offer hotline reporting and web-based reporting in multiple languages (in the languages of all of your global operations)?
 - Is vendor well-versed in international data privacy laws, including whistleblower guidelines and data transfers?
 - Does vendor offer data privacy solutions through technological tools required to address (whistleblower) guidelines established by:
 - *Belgium:* Data Privacy Commission
 - *Canada:* Personal Information Protection and Electronic Documents Act (PIPEDA)
 - *European Union:* Article 29 Working Group; advisory group to the European Union on data privacy matters and standards
 - *France:* Commission Nationale de L'Informatique et Des Libertés (CNIL); French Data Protection Authority
 - *Germany:* Düsseldorfer Kreis; Ad-hoc Working Group on "Employee Data Protection"
 - *Ireland:* Data Protection Commission
 - *Japan:* Financial Instruments and Exchange Law (J-SOX)
 - *Spain:* Agencia de Protección de Datos (APD) / Protección de Datos (LOPD)
 - Does vendor offer hotline services with language localization? (translation of custom web pages, incident categories and reports, personalized greetings and pre-recorded menus in specific languages)



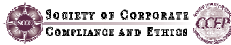
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Foreign Language Translations

- Compliance Program Communications
- Code of Conduct and Ethics and General Corporate Policies and Procedures
 - Fewer than 10 employees in a particular location (assess on case-by-case basis, look at level of risk, and assess level of fluency of employees; only portions of code for translation may be acceptable)
 - 10-100 employees in a particular location (full translation recommended / not necessary to reprint in color)
 - More than 100 employees in a particular location (full translation recommended with color reprinting)
- Training (e-Learning and Live)
- Ethics Hotline Reporting Systems (Telephone and Web-Based)
- Legal Requirement to Execute Translations
- Disparate Educational Levels of Your Employees (Official Language of Company v. REALITY!)
 - E.g., sophisticated business personnel v. limousine drivers for South America operations
- Cultural Issues
 - “helpline” v. “hotline”; “seeking guidance” v. “reporting”; “manager” v. “superior”
 - negative connotation associated with “reporting” in some cultures
 - use of idiomatic expressions lost in translation; code should use plain language
- Translator Selection (Latin American Spanish v. Castilian Spanish; Brazilian Portuguese v. Portugal Portuguese)
- Do I have a war story for you! ¡Yo tengo una historia que contarle! Eu tenho uma história para te contar! それがどんなに大きな問題だったか分かりますか？

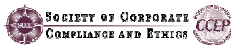


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Information Technology Challenges Involving Network Systems (by Jurisdiction) Relating to the Launch of Web-Based Training

<i>Jurisdiction</i>	<i>Description of Network Systems</i>
Argentina	Digital subscriber line (DSL); data sent over public network (the internet) with encryption
Brazil	Commercial wide-area network (WAN), internet protocol virtual private network (IPVPN) multiprotocol label switching (MPLS); cost of increasing bandwidth extremely expensive
Canada	DSL; data sent over public network (the internet) with encryption
Mexico	Commercial WAN, IPVPN MPLS
Peru	DSL; data sent over public network (the internet) with encryption
United States	Commercial WAN, IPVPN MPLS; more than double the bandwidth of Brazil and Venezuela
Venezuela	Commercial WAN, IPVPN MPLS; cost of increasing bandwidth extremely expensive



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Information Technology Challenges Involving Applications and Their Impact on the Launch of Web-Based Training

- **Bandwidth Availability:** The Code of Conduct and Ethics training program is a web-based streaming audio video application. The quality of presentation is directly affected by the bandwidth that is available. High bandwidth availability provides high quality viewing capability; low bandwidth can affect the quality of the viewing experience (audio, video, etc.).
 - **Resolution:** CDs were burned and distributed to employees in Brazil and Venezuela, because of the low bandwidth in those jurisdictions. Completion certificates were manually executed and emailed to vendor for retention.
- **Adobe Flashplayer Technology:** The Code of Conduct and Ethics training program contains a technology called Adobe flashplayer. Adobe flashplayer is a program that is installed in your web browser. The training program automatically checks to see if Adobe flashplayer is installed in your web browser and, if it is not, it would automatically install it so that the training program could be supported. The problem that was encountered was that the version of flashplayer on which the vendor wrote the application was version-dependent; if a computer already had a lower/lesser version of Adobe flashplayer installed, it would not upgrade it.
 - **Resolution:** Manual upgrades of the Adobe flashplayer version were performed for approximately twenty (20) users throughout the Americas; vendor also notified to check for version during installation process.
- **Browser-Specific Program:** The Code of Conduct and Ethics training program is browser specific. The training program was designed to be supported by Internet Explorer. Users utilizing Netscape or Fire Fox could not view the program. When the vendor e-mailed training e-mails to users, it would provide a link to the program. When users clicked on the link, it automatically opened the link utilizing Sojitz's default browser, which was Netscape at the time of the roll-out.
 - **Resolution:** Approximately forty (40) users were instructed to open Internet Explorer and to type in the vendor's web address in order to launch the training program.
- **Recommendation:** Get your IT people involved early!



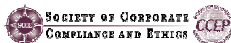
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Information Technology Challenges Involving Employee Populations and the Ability to Deliver Web-Based Training

- Users with no computer skills and no corporate e-mail addresses (e.g., company limousine drivers in South America)
 - **Resolution:** Assistance and training delivered by local office personnel to non-tech savvy users; e-mail addresses established.
- Users working remotely (e.g., employees in the Amazon)
 - **Resolution:** Training delivered at kiosks and cybercafés.
- Computer and office configuration challenges (some users have computers without speakers / some users do not have offices)
 - **Resolution:** Headphones delivered to all Americas employees



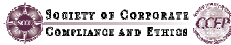
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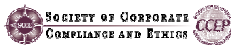
Cultural Challenges

- U.S. v. multinational considerations in context of code of conduct and ethics training program (content, settings, activities, situations, languages (foreign language programming/close captioning), U.S. narrator v. British narrator for training presentation, use of photos (representative geographically and of employee population), certifications (on-line, physical hand-written signature), etc.)
- Adding global resources, and addressing underlying infrastructure for implementation (HR, IT, internal reporting structure, investigations teams)
- Rules-based v. principles-based policies and procedures
- Addressing local risk factors
 - Brazil might focus on bribery and grease payments
 - Japan might focus on sexual harassment and discrimination
 - China might focus on gifts and entertainment, as well as intellectual property
- Degree of interactivity
 - Some cultures (e.g., Africans) may not enjoy lecture-style training and may prefer a high degree of interactivity (e.g., games)
 - Some cultures (e.g., Europeans) may not like games and may see games as trivializing the topic
 - Some cultures (e.g., Asians) are taught respect of authority, so lecture-style training may be more palatable; the Socratic method could be seen as offensive to some



Conclusion

Questions?



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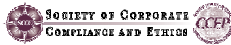
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