


	A Tale of Two Companies

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	Introductions

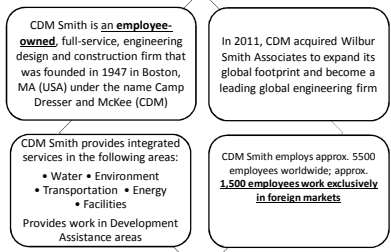
Introduction & Personal Background

BETH COLLING

Vice President and Chief Compliance Officer



CDM Smith



Introduction & Personal Background

REBEKA SPIRES

Director Compliance & Ethics



Louis Berger

Louis Berger is a global professional services corporation that helps infrastructure and development clients solve their most complex challenges. We are a trusted partner to national, state and local government agencies; multilateral institutions; and commercial industry clients worldwide. By focusing on client needs to deliver quality, safe, financially successful projects with integrity, we are committed to deliver on our promise to provide *Solutions for a better world.*

Louis Berger has a long-standing presence in more than 50 nations, represented by the multidisciplinary expertise of 6,000 engineers, economists, scientists, managers and planners.



Agenda

A Tale of Two Companies— Experiencing the Best of Times and the Worst of Times through the Eyes of Two Organizations that Considered Themselves Ethical

- Hear how two compliance programs survived and developed during and after settlements with the U.S. Department of Justice, World Bank Group and similar regulatory/enforcement agencies.
- Understand the lessons learned through the real-life experiences of two seasoned compliance officers - lessons that can be implemented in any compliance program, regardless of the existence of external scrutiny.
- Take away three “key mindset” ideas to help your program build the framework necessary to effectively demonstrate solid operations and leadership commitment, if ever asked to do so by regulators, investigators or others.

How long have you been working in a compliance role?


Less than a year. Here to learn what the compliance role might look like.



One to three years. Anticipate my role could be expanding in the coming weeks.

Four to eight years. Yep, I got this.

You're a pro! Here to see what new nugget of information you might take back to your team.

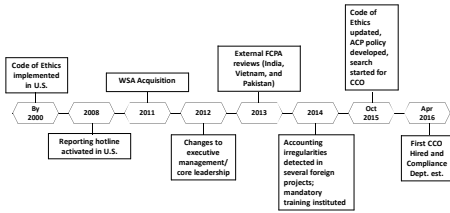
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	Surviving and Developing

		
	OMG Phase	
What happened? How did we get here?		

Key Events	
Louis Berger announces settlement with U.S. Department of Justice	
<p>What happened: On 11/15/2011, Louis Berger announced a settlement with the U.S. Department of Justice regarding the 2008-2009 period of the company's operations. The settlement includes a fine of \$10 million and a 30-month probation period. The settlement also includes a requirement that the company implement a compliance program to prevent future violations.</p> <p>Why it matters: This settlement represents a significant milestone in the company's history, as it marks the first time the company has been found guilty of a criminal offense. The settlement also includes a requirement that the company implement a compliance program to prevent future violations.</p> <p>What's next: The company is currently implementing the compliance program required by the settlement. The company is also working to restore its reputation and rebuild trust with its stakeholders.</p>	<p>Media Contact: [Redacted]</p> <p>Internal Contact: [Redacted]</p> <p>External Contact: [Redacted]</p> <p>Legal Contact: [Redacted]</p> <p>Public Affairs Contact: [Redacted]</p> <p>Investor Relations Contact: [Redacted]</p> <p>Human Resources Contact: [Redacted]</p> <p>Operations Contact: [Redacted]</p> <p>Finance Contact: [Redacted]</p> <p>IT Contact: [Redacted]</p> <p>Facilities Contact: [Redacted]</p> <p>Environmental Contact: [Redacted]</p> <p>Health and Safety Contact: [Redacted]</p> <p>Community Relations Contact: [Redacted]</p> <p>Government Relations Contact: [Redacted]</p> <p>Industry Relations Contact: [Redacted]</p> <p>Academy Contact: [Redacted]</p> <p>Partners Contact: [Redacted]</p> <p>Suppliers Contact: [Redacted]</p> <p>Customers Contact: [Redacted]</p> <p>Employees Contact: [Redacted]</p> <p>Stakeholders Contact: [Redacted]</p>
<p>New Jersey company to pay \$10 million fine to settle bribery charges</p> <p>The U.S. Department of Justice announced today that it has reached a non-prosecution agreement with Louis Berger International, Inc. (LBI) regarding the company's operations in New Jersey from 2008 to 2009. The agreement includes a fine of \$10 million and a 30-month probation period. The settlement also includes a requirement that the company implement a compliance program to prevent future violations.</p> <p>The settlement is the result of an investigation by the U.S. Department of Justice into the company's operations in New Jersey. The investigation found that the company had engaged in bribery to obtain business in New Jersey. The settlement is a significant milestone in the company's history, as it marks the first time the company has been found guilty of a criminal offense.</p> <p>The company is currently implementing the compliance program required by the settlement. The company is also working to restore its reputation and rebuild trust with its stakeholders.</p>	

Timeline of Integration of ICP



Regulatory Results – June 2017

- Department of Justice issued a Declination with Disgorgement (disgorged profits of around \$4 million)
- World Bank Group and CDM Smith entered into a Negotiated Resolution Agreement (NRA) that includes a conditional non-debarment. Conditions include the following:
 - Assessment of external Compliance expert who must certify that the Compliance program meets the requirements of the WBG's Integrity Compliance Program.
 - In-depth audit of a World Bank project by external counsel
 - Interviews by the World Bank of key individuals
- Asian Development Bank declined action



The Right Stuff

**What can be done now?
We have to do what, how fast?**

Where do you see your compliance program?

It is just getting started. We have a code of conduct, but little else established.

Compliance program has been around, but it is ignored at time for other big projects across the company. It would be nice to have more resources.

The program isn't that developed, but expect outside influences could change this status. (words like monitor, evaluation, and DPA are spoken softly in very small circles)

You have lived through this, like Beth & Rebeka. You want to know if our experiences are similar.


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Identified Risks

- Use of Consultants and Other Third Parties
 - Relatives hired
 - No vetting of Government Officials or such connections
- Lack of proper internal controls
 - Costs related to payments of Third Parties were not verified/some found to be excessive
 - Finance/Accounting did not recognize "red flags"
 - One person can hire sub, approve sub, and pay sub
 - Lack of segregation of duties
- Lack of proper Communication/Education/Training about Integrity Compliance
- Inconsistent way of handling allegations
- Lack of clear standards or standards not translated

Challenges/Benefits

- Local government officials don't recognize changes required for ethical business practices
- Entities doing business with CDM Smith refuse to pay invoices unless "facilitation" payment received
- Local employees not properly instructed on the prohibited practices – failure to provide specific examples
- Studies show businesses with robust compliance program get higher Return on Investment (ROI)
- Creates a common Culture of Compliance
 - In the absence of Compliance, Culture takes over
 - Culture trumps Compliance

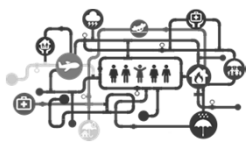


Mind the Gap

The Monitor's Report says what?

Assessment results

- The amount of information provided by internal or external specialists will be overwhelming.
- The key is to try and pick through those "must do activities" and determine what can be done now, what can wait; what can drop.



CDM Smith's ICP – Key Elements

ICP Elements	Required Enhancements
Reporting and Investigations	<ul style="list-style-type: none"> Installed updated Whistleblower Reporting line "The Integrity Line" Employees encouraged to speak up and told it's a duty New investigations policy and protocol installed Case management system put in place
Internal Controls	<ul style="list-style-type: none"> Added International Controller to staff Implemented new policies related to payment of Third Parties, Business Courtesies and Contributions/Sponsorships Implemented IA process for monitoring
Risk Assessments/Reviews	<ul style="list-style-type: none"> Annual assessments on both project and location basis Annual Certifications to review employees' knowledge Audits from IA for financial and Compliance for adherence Hired head of Treasury with IA experience
Training/Education	<ul style="list-style-type: none"> Annual Compliance Training for all employees with timelines to complete Specialized compliance training for finance staff involved in processing / approving payments Compliance to be integrated into project onboarding activities ("PDM review") Dedicated in-house Compliance site provides articles, videos and other information
Business Partners	<ul style="list-style-type: none"> Extensive Due Diligence Process enacted, including TMV review of costs Screening reviews relatives or gov. relations connection Policies developed to govern engagement and retention Additional payment controls put in place to monitor activity

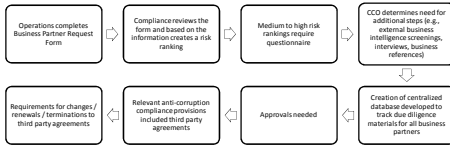
Louis Berger Code of Conduct Refresh

- 1 Sets "Tone at the Top"
What is expected of senior managers
- 2 Presents clear and easily understandable standards and values
- 3 Discusses Ethical Culture / Doing Right Thing is the Priority
- 4 Launderes policies: Non-retaliation COI / Facilitation / Gifting/Anti-Corruption
- 5 Presents "real life" situations and simple to understand guidance on how to respond
- 6 Ensures that business activities are consistent with applicable laws, and client expectations

22

Business Partners: Due Diligence Process

Business Partner Integrity Requirements



Risk-Based Due Diligence Review

- Parties are classified as low, medium or high risk based on:
- Proposed location where work will be performed
 - Interaction with government officials
 - Any known affiliation with government officials
 - Selection of third party (competitive bid, recommendation, etc.)
 - Payment of third party (FMV of services, advance payments, success fees, etc.)

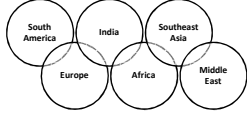
23



Infinity and Beyond

Global Risk Assessments

Risk Assessments conducted in regional centers and project offices:



- Risk assessments conducted with assistance from **Compliance Consultant** and **Third Party Consultant**
- Involved **in-country interviews** and **sample transaction testing**
- **Ongoing plan for additional testing** of other international locations

Risk Areas Assessed	
Management tone, culture, reporting and investigation	Charitable and political contributions
Employee understanding	Regulatory requirements and resolution of disputes
Dealings with government officials	Payments and use of company resources
Project awards	Use and management of cash
Business partners	Payroll
Business courtesies	Books and records

25

Continuous Improvements

- Awareness Programs
- Increase Employee Ownership
- Preventing Fatigue

Dark cloud of legal trouble begins to lift away from Louis Berger

By Peter Tomlin, Staff Writer 27 August 2010 (Drew)



A person at a desk, looking thoughtful or stressed, with their hand on their chin.

One of the biggest compliance issues in the oil industry appears to be coming to a close. Louis Berger, a major oil and gas contractor, is set to receive a \$10 million award from the U.S. Sentencing Commission for its role in the company's cooperation with the U.S. Sentencing Commission in the investigation of the company's bribery program. The award is the highest ever given to a company for its cooperation with the U.S. Sentencing Commission. The award is a significant step in the company's efforts to improve its compliance program and to prevent future violations. The award is a testament to the company's commitment to ethical business practices and to the rule of law.

26

Internal Programs



27

Keep Content Fresh





Three Take-Aways

Thank you

For questions or more information -
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