

What does a can of Cheez Whiz, Starbucks Coffee and Jimmy Buffet have in Common?

2020 Virtual Higher Education Conference

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Agenda

Introducing a compliance and ethics program in your organization

Methods to market your program to internal stakeholders

Practical tips for embedding program within your organization

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Introducing/Refreshing a Compliance Program

Compliance

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Identify the Purpose for a Compliance Program

"We are a progressive company and want to establish a program for future growth."

"Oops, there may be something we forgot to tell you."

"Well, the law says..."

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Identify the Possible Barriers

- Failure of buy-in from certain or all levels of management
- Business unit where “problem” did not occur believes it doesn’t apply
- Seen as purely “overhead” and not cost effective
- Lack of resources
- CCO is responsible for Compliance
- Belief that “we already know it all”



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Identify Stakeholders

Compliance Key Partners

- Human Resources
- Legal
- Finance/Audit
- Marketing Communications

Organization

- Board of Directors
- Executive Leadership
- Department Leaders
- Employees
- Shareholders

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Identify Stakeholder Drivers

Compliance Key Partners

- Human Resources
 - Employee Relations
 - Meeting legal requirements
- Legal
 - Staying out of hot water
- Finance/Audit
 - Accurate books and records
 - Internal controls
- Marketing Communications
 - Protecting the Brand
 - Consistent Messaging

Organization

- Board of Directors
 - Fiduciary obligations
- Executive Leadership
 - Successful program
- Department Leaders
 - Meeting their plans
- Employees
 - Fulfilling experience
 - Recognition for good work
- Shareholders
 - Return on Investment

Meet with Stakeholders

Understand the responsibility of that department/group

Key business partners
Key stakeholders

How does the group set its goals for success?

What keeps the leaders "up at night?"

Risks/Opportunities

Define the Role of Compliance with Stakeholders



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Marketing to Internal Stakeholders



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Achieve commonality

- Come to a common understanding
 - Most asked question: When is it a Compliance Issue versus HR versus Legal?
 - CDM Smith's view is that it doesn't matter – it's a COMPANY issue – these are the resources to handle it.
- Tailor the common understanding to fit your business/industry
 - Higher Education may have requirements different from Pharmaceutical
 - Identify the business risks
- Use the same nomenclature
 - Compliance & Ethics or vice versa
 - Integrity Compliance Program (World Bank)
 - Sanctions Compliance Program (OFAC)

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Create a Strategic Plan for Compliance

- Establish the elements needed for the Compliance Program itself
 - Risk Assessment/Gap Analysis
 - Focus on meeting the requirements of your program (ICP, DOJ Hallmarks, etc.)
- Mission/Vision Statement
- Annual Goals and Metrics
- Training plan
- Audit plan

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Create a Marketing Communications Plan

	Focus Area	Objective	Topic/Purpose	Communication Channel	Audience	Delivery Date	Comments	Completed
January	Privacy & Information Protection/ Slogan Contest	Focus on Compliance	Data Privacy	Yammer & Webpage	All Employees	01/02/19	PPT	01/03/19
		News & Highlights	Article/Information	Webpage	All Employees	01/02/19	http://fortune.com/2018/11/29/federal-data-privacy-law/	01/03/19
		Slogan Contest	Engagement, new slogan	Sharepoint homepage	All Employees	01/02/19	News & Highlights on firm sharepoint homepage	01/04/19
		Employee Engagement	Bi-weekly post	Yammer	All Employees	01/02/19	Announce Slogan Contest - Minion Meme	01/03/19
		Employee Engagement	Bi-weekly post	Yammer	All Employees	01/16/19	Reminder: Slogan contest	01/15/19
		Employee Engagement	Bi-weekly post	Yammer	All Employees	01/16/19	Data Privacy Day - January 28	
		Employee Engagement	Bi-weekly post	Yammer	All Employees	01/31/19	Announce last day for slogan contest entries - Last Day Meme	01/30/19
February	COI	News & Highlights	Article/Information	Webpage	All Employees	02/01/19		N/A
		Focus on Compliance	Topic: COI	Yammer & Webpage	All Employees	02/01/19	PPT	02/06/19
		Employee Engagement	Bi-weekly post	Yammer	All Employees	02/13/19	http://www.fcpablog.com/blog/2018/12/20/fcc-publishes-new-guidelines-on-conflicts-of-interest-in-ent.html	02/06/19
		Notification - HRBP, Ambassador	Compliance training	email	All Employees	02/15/19	COI Cow	02/15/19
		Firm-wide Compliance Course	Pre-launch announcement (US & Int'l)	Dispatcher from Tim W	All Employees	02/20/19		drafted, waiting on approval
		Firm-wide Compliance Course	Pre-launch announcement (EU)	Dispatcher from Tim W	All Employees	02/20/19		drafted, waiting on approval
		Snapshot		Newsletter	All Employees	02/20/19	Content due to Natalie by end of first week: Compliance month/course announcement, policy spotlight	02/06/19
March	Compliance Month and Conflicts of Interest	Personal COI online form	Disclosure form	Yammer	All Employees	02/27/19		in testing phase
		Employee Engagement	Bi-weekly post	Yammer	All Employees	02/27/19	Article, meme, video, etc.	
		Compliance Month	Compliance month announcement	Email to Ambassadors	Ambassadors	03/01/19	Email video link to Compliance Ambassadors for their use, instructions for training, include sign-in sheet as attachment	templates created by Lydfly. Text drafted, waiting on approval
		Compliance Month	Compliance month announcement	Yammer (Compliance, All Company, Newsroom)	All Company, Newsroom	03/01/19	Video	03/01/19
		Compliance Month	Compliance month announcement	Webpage-main and co	All Employees	03/01/19	MarComm to assist with embedding video on Compliance webpage	03/01/19
		Compliance Month	Compliance month announcement	Dispatcher: Video & W	All Employees	03/04/19	per Beth - to go out on 3/4	03/04/19
		Focus on Compliance	Topic: Decision making	Yammer & Webpage	All Employees	03/01/19	Making Ethical & Legal decisions: Decision Tree	03/14/19
		Certification (U.S.)			Target Audience	03/01/19	Key or "Designated" employees - employees who interact w/ customers, clients, handle money or contracts	01/08/19
		Firm-wide Compliance Course	Certification (U.S.)			03/01/19		03/01/19
		Weekly post	Course launch	Email from TST	All Employees	03/01/19	Instructions to be emailed from TST	
		Employee Engagement	Announce contest winners (round 1)	Yammer	All Employees	03/06/19	Reminder and link for training page	03/13/19
		Employee Engagement	Bi-weekly post	Yammer	All Employees	03/12/19		03/19/19
		Employee Engagement	Announce contest winners (round 2)	Yammer	All Employees	03/14/19	Contest: Digital Scavenger Hunt	03/14/19
		Personal COI form & policy	Revised COI personal policy & online form	Dispatcher	All Employees	03/20/19		03/27/19
		Employee Engagement	Announce contest winners (round 3)	Yammer	All Employees	03/26/19		03/27/19
		Firm-wide Compliance Course	Reminder to complete training	Yammer	All Employees	03/29/19		03/29/19
	Compliance Month	Distribute new posters		OSG/Office Ambassadors		04/01/19		04/01/19
		Firm-wide Compliance Course	Final report for Compliance Training	Email	Laura, Beth	04/02/19	CDM Smith U compiling report	04/02/19

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Educate by looking outside typical "compliance" topics

- Create themes for each presentation
 - Finance Group – Red Flags
 - Admissions – Follow the Rules
 - HR - Accountability
- Find examples to relate to these themes
 - Look at World News
 - Pop Culture (movies, TV shows)
 - Songs
- Consistently apply the theme at least three times
 - Repetition is the key

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Examples to use to implement Compliance

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Example 1



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Example 1 Ethics & Compliance Basics

What is meant by Ethics?

- Ethics means the values and culture that guide us.

What is Compliance?

- Compliance means adhering to the laws, regulations, and policies that govern our personal and professional lives.



A Compliance department is designed to ensure that the “right” values/rules/guidelines/policies, etc. are in place so that expectations for the way business should be conducted is clear.

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Example 2 Competition is Good



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Example 2

Competition Breeds Challenges/Corruption

OPERATION VANDERBILT
Lori Loughlin Tries and Fails to Dismiss Her College Admissions Scam Charges



While we were all diverting our attention to the coronavirus pandemic, Aunt Becky tried to swing in with her Get Out of Jail Free Card and pretend nothing ever happened with her alleged college admissions scam. The judge, clearly not a Full House or Hallmark fix, wasn't buying any of it. The court documents obtained by *Fortune*, *Lori Loughlin* and her husband, Martin Loughlin, were denied their bid to throw out charges in the widely publicized Operation Varsity Blues case. Last month, the couple filed a motion to dismiss all of the charges, claiming that government agents engaged

A college basketball bribery scandal leads to arrests of 10 people – including an Adidas executive

Kate Taylor 153

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FACEBOOK

LINKEDIN

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THE WALL STREET JOURNAL.

U.S.

Students Were Advised to Claim to Be Minorities in College-Admissions Scandal

Misrepresentations played into efforts by elite campus to diversify their student bodies

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Example 2

What does this mean for us? Our Challenges:

- New Clients
- Risky countries/environments
- Unreliable business partners
- Unknown business partners
- Lack of controls in the project
- Work at Risk
- Time pressures

- Meeting regulatory requirements
- Keeping clients happy
- Getting repeat business
- Inexperienced staff

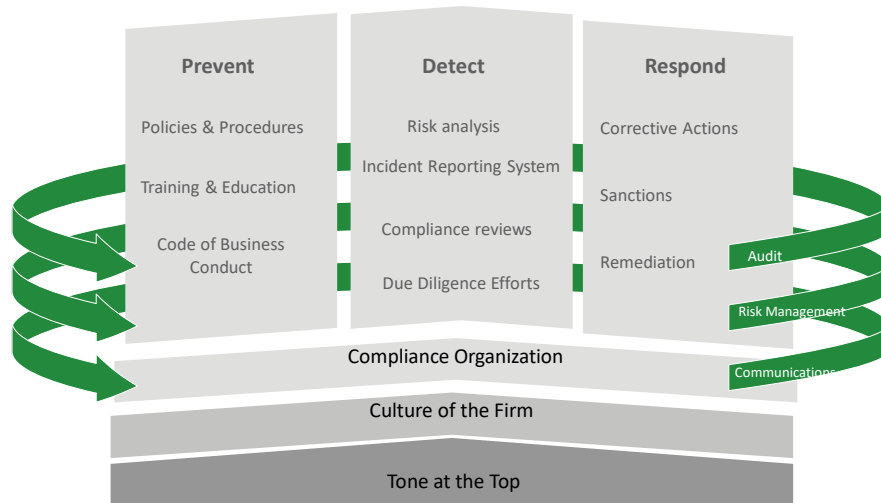
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Example 2

Our Answer: Robust Compliance Program



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Example 3

The importance of TRUTH

Question...

What famous politician was also known as "Client No. 9?"

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Example 3

Answer...

Former New York Governor, Eliot Spitzer, who famously declared war on "houses of ill repute" and proclaimed that he was going to "clean up prostitution in his state."

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Example 3

Truth percolates...

"Three people can keep a secret if two are dead."

—Hell's Angels Motto

The laws of probability do not apply when it comes to the surfacing of unethical or illegal conduct.



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- **Business Units/Departments**
 - Go to their Strategy meetings
 - Annual department meetings
 - Ask to speak at their team meetings/leadership meetings
 - Embed Compliance Ambassadors for major risk areas
 - Provide Compliance resources for use by non-Compliance personnel



Compliance Partners

- Annual/every other year meeting
 - Bring in CEO/COO to speak
 - Team Building Events
- Treat the same as other Departments
 - Staff meetings
 - Focus groups



Final Example

Question: What do these things have in common?



Final Example

Answer:

They are all examples of someone not taking responsibility.

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Recap

- Understand the Purpose for having a Compliance Program
- Identify barriers
- Identify stakeholders and their motivations
- Define Compliance – Achieve Commonality
- Create Compliance Strategic Plan
 - Marketing Comm plan is key
- Educate the organization by using concepts that are relatable
- Become involved with the operations
- Connect with your Strategic Partners

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Questions

