


<h1 style="text-align: center;">What does a can of Cheez Whiz, Starbucks Coffee and Jimmy Buffet have in Common?</h1> <p style="text-align: center;">18th Annual Compliance & Ethics Institute 2019 Gaylord National, National Harbor, MD</p> <div style="display: flex; align-items: center; justify-content: space-between;">  <div style="background-color: #333; color: white; padding: 10px; font-weight: bold; font-size: 1.2em;">CDM Smith</div> </div>	<p>M. Beth Colling Senior Vice President, Chief Compliance Officer</p> <p><i>September 17, 2019</i></p>

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<h2 style="margin-top: 0;">Agenda</h2> <div style="margin-top: 40px;"> <div style="background-color: #333; color: white; padding: 10px; margin-bottom: 5px; border-radius: 5px;">Introducing a compliance and ethics program in your organization</div> <div style="background-color: #ccc; color: #333; padding: 10px; margin-bottom: 5px; border-radius: 5px;">Methods to market your program to internal stakeholders</div> <div style="background-color: #333; color: white; padding: 10px; border-radius: 5px;">Practical tips for embedding program within your organization</div> </div> <div style="display: flex; align-items: center; margin-top: 20px;"> <div style="background-color: #333; color: white; padding: 5px 10px; font-weight: bold; font-size: 0.8em;">2</div> <div style="margin-left: 10px;">Compliance</div> </div>
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	<h2>Introducing/Refreshing a Compliance Program</h2>
	<p>Compliance</p>

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	<h2>Identify the Purpose for a Compliance Program</h2>
	<div><div><p>"We are a progressive company and want to establish a program for future growth."</p></div><div><p>"Oops, there may be something we forgot to tell you."</p></div><div><p>"Well, the law says..."</p></div></div>
	<p>4 Compliance</p>

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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”



Identify Stakeholders

Compliance Key Partners

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

Organization

- Board of Directors
- Executive Leadership
- Business Unit Leaders
- Employees
- Shareholders

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 business
- Business Unit Leaders
 - Meeting the Business plan
- Employees
 - Fulfilling experience
 - Recognition for good work
- Shareholders
 - Return on Investment

Meet with Stakeholders

Understand the responsibility of that business unit/group

Key business partners
Key clients

How does the group set its goals for individuals? Sales?

What keeps the leaders "up at night?"

Risks/Opportunities

Define the Role of Compliance with Stakeholders



Marketing to Internal Stakeholders

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
 - Defense Industry 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)

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

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	01/03/19	Announce Slogan Contest - Mission 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	02/03/19		N/A
		Focus on Compliance	Topic: COI	Yammer & Webpage	All Employees	02/03/19	PPT	02/06/19
		Employee Engagement	Bi-weekly post	Yammer	All Employees	02/13/19	http://www.fcnablog.com/blog/2018/12/20/fcc-publishes-new-guidelines-on-conflicts-of-interest-in-practice.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 & intl)	Dispatcher from Tim V	All Employees	02/20/19		drafted, waiting on approval
		Firm-wide Compliance Course	Pre-launch announcement (EU)	Dispatcher from Tim V	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	template created by Lydly. Text drafted, waiting on approval
		Compliance Month	Compliance month announcement	Yammer (Compliance, All Company, Newstrum)	All Employees	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.)	Certification (U.S.)	Target Audience	All Employees	03/01/19	Key or "Designated" employees - employees who interact w/ customers, clients, handle money or contracts	01/08/19
		Firm-wide Compliance Course	Course launch	Email from TST	All Employees	03/01/19	Instructions to be emailed from TST	03/01/19
		Employee Engagement	Weekly post	Yammer	All Employees	03/06/19	Reminder and link for training page	03/13/19
		Employee Engagement	Announce contest winners (round 1)	Yammer	All Employees	03/12/19		03/13/19
		Employee Engagement	Bi-weekly post	Yammer	All Employees	03/14/19	Contest: Digital Scavenger Hunt	03/14/19
		Employee Engagement	Announce contest winners (round 2)	Yammer	All Employees	03/19/19		03/19/19
		Personal COI form & policy	Revised COI personal policy & online form	Dispatcher	All Employees	03/20/19		03/23/19
		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	Email	USC/Office Leaders/Compliance 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
 - Sales – 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
- Examples to follow

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Example 1



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Example 1 con't.

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 con't. Competition Breeds Challenges

World Cup 2018

*Mexico's World Cup Captain
Is on a U.S. Blacklist*



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

Kate Taylor
© Sep. 26, 2017, 9:28 AM ▲ 107,530

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Example 2 con't.

CDM Smith's 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 con't.

CDM Smith's 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 con't.

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 con't.

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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Embedding the Program within the Organization

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Operations

- Business Units/Operating Groups

- Go to their Strategy meetings
- Annual sales 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



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Compliance Partners

- Annual/every other year meeting
 - Bring in CEO/COO to speak
 - Team Building Events
- Treat same as Business Units/Operating Groups
 - Staff meetings
 - Focus groups



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Final Example

Question: What do these things have in common?



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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 (non-ops groups)

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Questions



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