

# Compliance & Ethics Professional

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by M Nurul Alam, CCEP-I, FCS

# Compliance Week: A tool to building an ethical culture

- » Learn process for building an ethical culture in an organization.
- » Build an ethical culture in a business.
- » Motivate employees to learn a compliance program.
- » Engage leaders in compliance activities.
- » Put compliance requirements to the mind of employees.

I have been organizing the Compliance Week for the last three years. This year the event was held in March. The article is written based on the activities of the Compliance Week held this year.



Alam

My primary responsibilities as the chief compliance officer are to improve our integrity score by building an ethical culture in the company and provide training to the employees on code of conduct, anti-bribery, and corruption to prevent any unethical transactions by the employees that may cause damage to the company. My country, Bangladesh, is the second-largest ready-made garment (RMG) exporter. Here the compliance officer is known as the officer responsible for ensuring the environmental, health, and safety provisions in the companies within the RMG sector according to the buyers' agreements. Very few subsidiaries of multinational companies have a compliance officer to fulfill the requirement of their parent company that has business relations in the United States. Some of them are trained and

skilled to fulfill the requirements of the US, DOJ, and SEC regulations.

*Disclaimer: This case study is prepared based on my practical experience.*

Compliance Week is a tool to building an ethical culture in the organization. The success of Compliance Week depends basically on the engagement of the employees. The activities of the Compliance Week build awareness among the employees and vendors on the code of conduct and suppliers' code.

My primary responsibilities as the chief compliance officer are to improve our integrity score by building an ethical culture in the company.

## Kickoff

The performance of the Compliance Week was kicked off with a flash message from the

CEO to the employees of the organization in the morning of the first day of the week. The title of the CEO message was the theme of the week, “Let’s do the right thing,” and contained the objective of the observance of the week and who was behind the performance of the activities of the week. The readers of the message could click on a link to an audio/visual “Tone at the Top,” which contained the compliance messages from the seven senior members of the management team. Each member spoke one minute on the topic selected that was provided to them by the chief compliance officer. The topics were: encourage employees to use the compliance helpline, gift and hospitality procedure, conflict of interest policy, zero tolerance for proven retaliation against whistleblowers, vendor screening to ensure the company does business with ethical business partners, and interaction with government officials. (It is pertinent to mention here that the company’s Creative and Brand team supported in making the audio/visual component.)

### **Branding of the entrance of the office building**

The entrances of the Head Office (HQ) and regional offices (ROs) were beautified by installing a well-decorated extra gate that was branded with the theme of Compliance Week.

Employees got a different feel seeing the well-decorated and nicely branded extra entry gate with Compliance Week 2017 printed on the gate. Well designed and nicely decorated the entrances to the offices were possible for excellent collaboration with Creative and Branding team.

### **Pop-up banner and wobbler**

All offices were decorated with wobblers on the workstations. The wobbler was

made on a round-shaped hard paper, nicely printed with the words Compliance Week 2017, and self-adhesive poly was connected to hang the wobbler on the wall/stand of the workstation.

Pop-up banners with compliance messages were posted at the entry points to each floor of the HQ and RO, which were changed every day with a different one.

### **Example compliance messages**

#### **Compliance helpline**

There are number of ways in which employees can speak up. For example, employees can contact their direct line manager, compliance officer, Legal or HR manager, or email to compliance.

In addition to the above, employees can also:

- ▶ Send an email to compliance;
- ▶ File a report via a web-based portal that is operated by an independent third party; or
- ▶ Report via the telephone. The company also has a Speak Up line operated by an independent third party.

#### **Anonymous reporting and non-retaliation**

“You must report observed violations of the Code, applicable laws or policies.”

Speak up with confidence and the assurance that the company will not retaliate against any employee who, in good faith, brings up a potential issue or calls the Speak Up Helpline to report a concern.

Any employee who in good faith seeks advice, raises a concern, or reports misconduct is following this Code—and is doing the right thing.

The company will not tolerate any reprisal by any individual against

an employee for raising a concern or making a good faith report.

Any manager or employee who knowingly retaliates against others for speaking up will be subject to disciplinary action.

One may choose to remain anonymous while reporting.

### ***When in doubt, ask.***

Please do not hesitate to seek advice if you are ever unsure about the proper course of action.

### ***Where to ask?***

Your line manager is usually the best person to start with any compliance or ethics issue.

You may also seek advice from:

- ▶ Your compliance officer,
- ▶ Your legal department,
- ▶ Your human resources department,
- or
- ▶ The Compliance Helpline.

### **Conflict of interest**

A conflict of interest may arise when your loyalty is divided between your work and your own personal interests.

In general, we should avoid situations where our personal interests conflict, or may appear to conflict, with those of the company.

If you think you may have a conflict of interest, or that others could possibly believe an activity or relationship you are engaged in is a conflict of interest, you must promptly disclose this to:

- ▶ Your line manager,
- ▶ Compliance officer, or
- ▶ Human Resources department.

For this, you can use the Conflict of Interest Disclosure Form prescribed by the Conflict of Interest Policy.

### **Respectful, harassment-free workplace**

The company will not tolerate any form of abuse or harassment, in any company workplace, toward employees, contractors, suppliers, customers, or others.

Harassment can take different forms. Here are some examples of unethical behavior:

- ▶ Unwelcome flirtation or sexual advances.
- ▶ Insulting someone (including based on such grounds as nationality, race, age, sex, religion, marital status, or disability).
- ▶ Misuse of power or a position of authority.
- ▶ Any kind of workplace violence.

Harassment is illegal in many countries and may lead to serious disciplinary action, including dismissal.

### **When gifts and hospitality are not acceptable**

There are certain cases where gifts and hospitality are never acceptable, namely:

- ▶ Gifts of cash or equivalents (e.g., gift certificates, cheques, loans, shares, or share options);
- ▶ Gifts and hospitality that are indecent, inappropriate, or would damage the company's integrity or reputation; and
- ▶ Gifts and hospitality that breach any local law or regulation.

If you have questions or concerns about gifts and hospitality, please refer to the company's Gifts & Hospitality Procedure, or contact your line manager or compliance officer.

### **Protecting company confidential information**

Always protect and do not disclose unless authorized to do so any

confidential company intellectual property, material non-public information, or any other confidential information. The company has zero tolerance for any breach of code of conduct.

### **Facilitation payments**

Facilitation payments are:

- ▶ Payments to speed up a routine action that the payer is legally entitled to (for instance: visa processing, customs clearance);
- ▶ Fees or other benefits that are not provided by law; or
- ▶ Offered or given to government/private sector officials for their personal benefit.

Attempts to disguise or conceal facilitation payments are considered a serious breach of the anti-bribery and corruption provision of the Foreign Corrupt Practices Act.

If an employee is aware or suspicious of bribery taking place, he/she must report it to a line manager, compliance officer, or any senior officer of the organization.

### **Consequences of falsifying records**

Falsifying records or keeping unrecorded funds and assets is a severe offense. It will not be tolerated in the company and may result in prosecution and termination of employment agreement.

### **Dealing with theft/misuse of assets case**

If anyone becomes aware of theft, waste, or misuse of company assets or funds or have any questions about the proper use of them, s/he must speak immediately with the line manager, compliance officer, Legal, or business unit controller.

All employees must assist in preventing fraud, corruption, and other malpractices within the company.

### **Compliance booth**

A compliance booth was installed in the lobby area of HQ where employees asked questions and a compliance representative attending the booth answered from the compliance perspective. This booth was designed by the company's Creative and Branding team and was eye-catching.

### **Booklet and gift box**

Conceptually designed gift boxes included a booklet containing key messages of the company code of conduct, branded pens, and chocolate, and they were distributed to the employees in the morning of the first day of the week.

### **Laptop/desktop backdrop**

Customized laptop/desktop backdrops were designed and deployed every day in the week for every employee's workstation with compliance messages. The following five messages were displayed in the employees' desktop/laptop.

**Day 01, Conflict of interest:** A conflict of interest may arise when your loyalty is divided between your work and your own personal interests.

If you think you may have a conflict of interest, or a relationship you are engaged in is a conflict of interest, you must promptly disclose this to your line manager, compliance officer, or Human Resources department.

**Day 02, G&H:** Gifts and hospitality should not be accepted or offered if they are likely to compromise



you or your company's impartiality or integrity, or if this gives the impression of doing so. Business decisions must never be taken for reasons of personal benefit.

If you have questions about gifts and hospitality, please refer to the company's G&H Procedure, or contact your line manager or compliance officer.

**Day 03: Respectful, harassment-free workplace:** We believe in treating each other with respect and dignity and in fostering an atmosphere of open communication, trust, and mutual respect. Any type of harassment issue will be subject to disciplinary action.

**Day 04: Non-retaliation:** We have a Non-Retaliation Policy to protect the whistleblower who has blown the whistle in good faith. Any manager or employee who knowingly retaliates against others for speaking up will be subject to disciplinary action.

**Day 05: Speak up:** There are a number of ways in which employees can speak up. For example, employees can:

- ▶ Contact their direct line manager, compliance officer, Legal, or HR Manager;
- ▶ Send an email;
- ▶ File a report via a web-based portal; and
- ▶ Report via the telephone number (toll free).

### Quiz contest

An online quiz competition took place every day during the week. The quiz was sent to all employees by an email from the chief compliance officer with multiple options for the employees to answer by clicking a button. Sorting the right answer and selecting the winners were done by computer with the help of IT team. Five winners were awarded by the CEO and

chief compliance officer in the following week. The quizzes with multiple-choice answers are as follows:

**Q1:** My boss gave me a low grade at the assessment interview. He said that I have not fulfilled my goals and that he would like me to improve my attitude at work and be more attentive. I agree that maybe I make mistakes from time to time, but on the whole I do not think that my work is that bad. To whom should I complain that my boss treats me unfairly?

- a. You can escalate this question one level up. If you get no follow up on your situation or if you disagree, you can discuss it with the Human Resources department.
- b. You can escalate this question to your CXO directly. If necessary, you can discuss it with the Human Resources department.
- c. You can escalate this question to the Compliance department directly.
- d. You can escalate this question to the Human Resources department directly.

**Q2:** My boss sometimes acts in a way that makes me feel uncomfortable—asking me out for drinks, or striking up conversations when nobody else is around about having affairs. What should I do as a first step?

- a. If your boss's behavior is unwelcome to you, the best solution is to first openly tell him/her about this.
- b. If your boss's behavior is unwelcome to you, the best solution is to consult your respective CXO first.
- c. If your boss's behavior is unwelcome to you, the best solution is to consult with the Human Resources department first.

- d. If your boss's behavior is unwelcome to you, the best solution is to consult with the Compliance department first.

**Q3:** I was working late last night at the office. When I went to use the photocopier, I found a small stack of personnel records in the sorter. I noticed that the copies contained payroll information for our department. There is a lot of personal information on these forms. I don't want to get anybody in trouble, but I don't think it is right that this kind of information is left for all to see. What should I do?

- a. You should return the papers to the responsible person in Payroll immediately and by confidential means. You should also report your discovery and your actions to your line manager or the supervisor of the Payroll department.
- b. You should ignore it. Let other colleagues handle this.
- c. You should return the papers to the responsible person in the payroll immediately and by confidential means.
- d. Please raise a complaint to the Compliance department or Compliance Helpline.

**Q4:** A friend sent me a chain letter email requesting that I forward it to ten others to support a charitable cause. Is it OK?

- a. No. You may not use the corporate email for communicating chain letters.
- b. Yes, this is a noble work. I can forward it to ten others to support a charitable cause.
- c. After obtaining compliance officer approval, I can forward it.
- d. None of the above.

- Q5:** The contract with a vendor exceeds the procurement manager authority scope and requires approval by the tender committee. My manager asked me to split the contract into several contracts each for the amount less than the authorized scope. What should I do?
- a. You should report the violation to the compliance officer, business unit controller, or via the Compliance Helpline so that appropriate measures can be taken.
  - b. I understand that this is a violation of our policy but do not want to confront my boss.
  - c. For the convenience of the business, we can split the contract to convert within the authorized limit.
  - d. None of the above.

### Compliance Session

Compliance Sessions were organized. 25–30 senior employees were invited to attend the sessions daily. A total of around 140 senior employees participated in the five sessions during the week. The chief compliance officer was the speaker in the session, and the topics covered were anti-bribery and corruption, gifts and hospitality, conflict of interest, workplace harassment, incident investigation procedure, and third-party screening.

### Conclusion

The compliance officer could engage the employees from every level in the Compliance Week's activities, which made the event successful.

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