



## Practices and “Soft-Skill” Issues in Ethics and Compliance (E&C) Program Management That Can Undermine the Effectiveness of Your E&C Program

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### ABOUT THE PRESENTERS



**RANDY COOK, JD, CCEP**  
Senior Managing Director  
New York, NY

#### EXPERIENCE

- More than 19 years of experience conducting complex investigations and audits; leading and advising organizations with critical compliance challenges.
- As senior compliance counsel for a global technology firm, designed, implemented, and led international trade and sanctions compliance investigations, audits, and enhancement programs
- Former Assistant U.S. Attorney



**MICHAEL GARSON, JD, CCEP**  
Senior Managing Director  
Washington, DC

#### EXPERIENCE

- Over 20 years of specific expertise in developing and monitoring ethics and compliance programs and conducting internal investigations.
- Former Chief Ethics and Compliance Officer responsible for designing, implementing, and managing comprehensive compliance and ethics program for large defense and technology company.



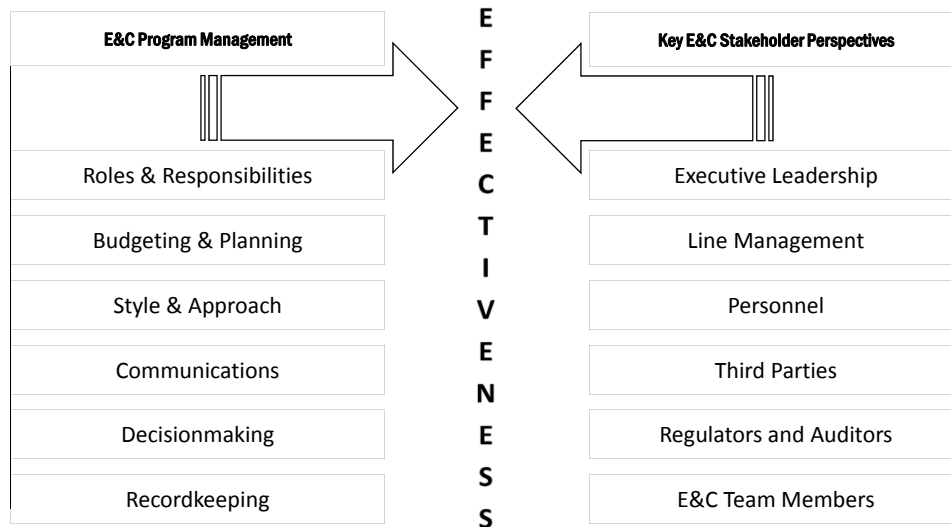
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# AGENDA

- Framing the Discussion
  - *The relationship between E&C program management and effectiveness*
- Beyond E&C Program Elements
  - *Program management attributes in the eyes of key stakeholders*
- Key Issues in E&C Program Management that Undermine Program Effectiveness
  - *Lack of Definition in E&C Program Roles and Responsibilities*
  - *Budgeting and Planning Inconsistent with Business Environment and Realities*
  - *Engagement Style and Approach that Harms Stakeholder Relationships and Trust*
  - *Communications that Hurt a Culture of Ethics and Compliance*
  - *Decisionmaking that Is Inconsistent, Unexplained, or Not Coordinated*
  - *Recordkeeping that Is Incomplete, Inaccurate, or Not Up-To-Date*

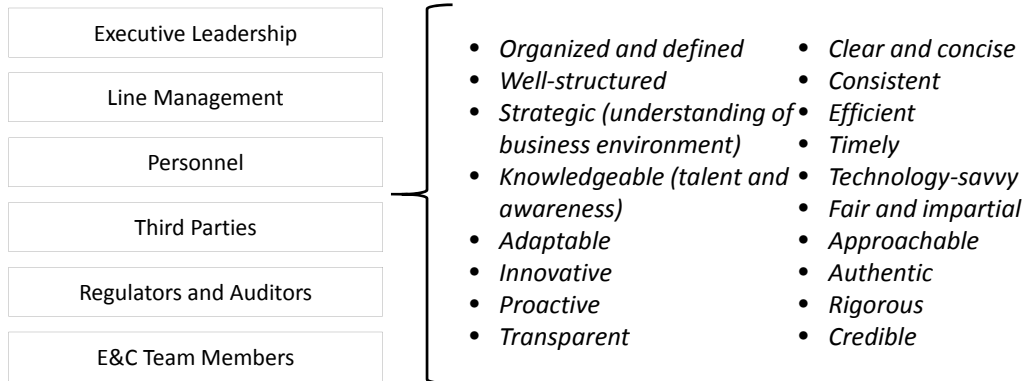


# FRAMING THE DISCUSSION



## BEYOND E&C PROGRAM ELEMENTS

- What E&C program management attributes make a program “effective” from the perspective of key stakeholders?



## ISSUES IN E&C MANAGEMENT THAT UNDERMINE PROGRAM EFFECTIVENESS

### Lack of Definition in E&C Program Roles and Responsibilities

- (1) Does your E&C Program maintain a documented management plan clearly and plainly describing the roles, functions, responsibilities, and authorities of all members of the E&C team?
- (2) Do you share your E&C Program management plan with your key stakeholders for their awareness and understanding of your team’s roles and responsibilities and how the stakeholders fit and interact with the E&C Program?
- (3) Does your E&C Program clearly delineate responsibility for ethics and compliance matters among the E&C, legal, audit, and/or other business functions?

- |  |                             |
|--|-----------------------------|
| • <i>Organized and defined</i>                             | • <i>Clear and concise</i>  |
| • <i>Well-structured</i>                                   | • <i>Consistent</i>         |
| • <i>Strategic (understanding of business environment)</i> | • <i>Efficient</i>          |
| • <i>Knowledgeable (talent and awareness)</i>              | • <i>Timely</i>             |
| • <i>Adaptable</i>   | • <i>Technology-savvy</i>   |
| • <i>Innovative</i>  | • <i>Fair and impartial</i> |
| • <i>Proactive</i>   | • <i>Approachable</i>       |
| • <i>Transparent</i>                                       | • <i>Authentic</i>          |
|  | • <i>Rigorous</i>           |
|  | • <i>Credible</i>           |

## ISSUES IN E&C MANAGEMENT THAT UNDERMINE PROGRAM EFFECTIVENESS

### Budgeting and Planning Inconsistent with Business Environment and Realities

- (1) Do you prepare a written E&C annual plan, business case, etc. for review by key management stakeholders and business function leaders supported by specific rationale for implementation of the plan elements?
- (2) How much time do you give to socializing your E&C program budget and plan requests to key management stakeholders and business function leaders?
- (3) When drafting your E&C program plans, do you take into account:
  - Input from management stakeholders and business leaders?
  - Business strategic objectives and organization financials?
  - Peer organization programs?
  - Technology and other tools for program efficiency/cost?

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## ISSUES IN E&C MANAGEMENT THAT UNDERMINE PROGRAM EFFECTIVENESS

### Engagement Style & Approach that Harms Stakeholder Relationships and Trust

- (1) How do you engage key stakeholders when interacting with them and are there differences in approach depending upon the stakeholders and circumstances?
- (2) When if, ever, is it appropriate to be more directive in nature or stern in conduct or explanations?
- (3) When conducting investigations, do you take different tones or approaches with personnel depending upon whether they are complainants, witnesses, or subjects?
- (4) When a substantive E&C issue arises, do you confer with other business leaders and functions as to method of approach for looking into and resolving the issue?

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## ISSUES IN E&C MANAGEMENT THAT UNDERMINE PROGRAM EFFECTIVENESS

### Communications that Hurt a Culture of Ethics and Compliance

- (1) Does your E&C Program share the results of disciplinary actions with your employee base at-large? If so, what is the nature of the communication and do you believe it actually helps or harms your culture of ethics and compliance?
- (2) Before sending out an all-employee wide E&C communication, do you have a peer/representative group of employees review the communication for their impressions and feelings before dissemination?
- (3) When communicating with your employee base, is the language used:
  - Restrictive/prohibitive in nature or permissible/encouraging?
  - Legalistic or plain language?
  - Spelling and grammar checked?
  - Logically tied to a business strategy, objective, or value?

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## ISSUES IN E&C MANAGEMENT THAT UNDERMINE PROGRAM EFFECTIVENESS

### Decisionmaking that Is Inconsistent, Unexplained, or Not Coordinated

- (1) Does your E&C Program maintain a documented matrix or guide available to all stakeholders describing the factors and issues that can lead to different forms of personnel discipline for ethics or compliance violations?
- (2) Do you maintain a running, documented list of disciplinary actions for ethics or compliance violations, the reasoning for each disciplinary action taken, and associated organizational statistics for personnel group, function, location, and any associated protected class status?
- (3) Prior to taking any corrective or remedial action as a result of an ethics or compliance issue, do you include key business functions and other stakeholders in the decision-making process?

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## ISSUES IN E&C MANAGEMENT THAT UNDERMINE PROGRAM EFFECTIVENESS

### Recordkeeping that Is Incomplete, Inaccurate, or Not Up-To-Date

- (1) Does your E&C program clearly articulate and assign responsibilities for recordkeeping and archiving, including logical storage structures, document labeling, and indexing (all program materials not just incident/investigations)?
- (2) For internal investigation records, does your E&C program have a team member responsible for ensuring that all records of interviews, associated documentation, root cause analyses, and recommended corrective or remedial action are timely completed, organized appropriately, and spelling and grammar checked?
- (3) Does your E&C Program routinely check that all versions of policies are up to date in all organization repositories as well as review for broken Intranet links and outdated POC information?

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## END OF DISCUSSION

THANK YOU FOR PARTICIPATING AND SHARING!!



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