Corporate Compliance and Corruption Prosecutions

Submitted by: Hui Chen Ethics
WHAT IS COMPLIANCE?

Systems/processes

Prevent & detect

Violations
PROGRAM ELEMENTS

- Risk Assessment
- Policies & Procedures
- Leadership Commitment/Culture
- Training & Communication
- Third Party Management
- Reporting & Investigations
- Incentives & Disciplinary Actions
- Monitoring/Auditing
PAPER VS. REALITY

FORMAL VS. INFORMAL

Risk Assessment
Policies & Procedures
Leadership Commitment/Culture
Training & Communication
Third Party Management
Reporting & Investigations
Incentives & Disciplinary Actions
Monitoring/Auditing

Outcome: What violations have been prevented/detected?
EXAMPLE 1: PRE-APPROVAL FOR GIFTS/ENTERTAINMENT

Policy: “Pre-Approval from compliance is Required for G&E over US$200”

Took customers out for a nice dinner...

Forgot to get pre-approval!

Submit it anyway: the form doesn’t ask if I had pre-approval!

Accounts Payable Reimbursement Checklist:

- Did the supervisor approve?
- Is it within the employee’s spending limit?
- Did it require pre-approval?
- Is there evidence of pre-approval?

Now I know pre-approval is not really required!
EXAMPLE 2: THIRD PARTY MANAGEMENT

Policy: “All third parties must go through appropriate due diligence review & approval”
Policy: Area Closed...No Trespassing
Policy: Area Closed...No Trespassing
HOW PROSECUTORS USE COMPLIANCE

Investigation  Culpability  Penalty

Remediation  Defense
QUESTIONS? COMMENTS?