

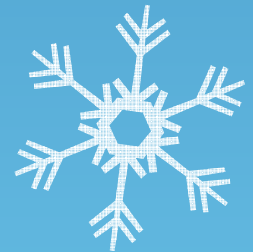
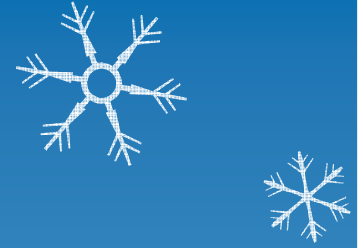
# The Voice of the Practitioners

Tim C. Mazur

Chief Operating Officer

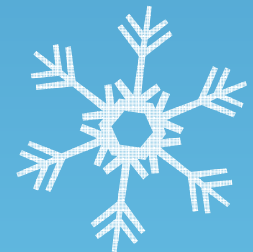
Ethics and Compliance Officer Association (ECOEA)

December 16, 2012



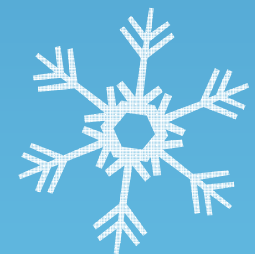
# Personal Background: Ethicist, 26 years

- Earned MBA (The George Washington University, USA)
  - Have since served as an adjunct lecturer at six business schools
    - graduate: business ethics and social/legal/political environments of business
    - undergraduate: strategy
- Ethics and Compliance Consulting (14 years)
  - Ethics Resource Center / Washington, D.C.
  - Markkula Center for Applied Ethics, Santa Clara University / California
  - Council for Ethics in Economics / Ohio
  - KPMG LLP / Illinois
- Ethics Officer (5 years)
  - Blue Cross and Blue Shield / Colorado
  - Countrywide Financial Corporation / Texas
- Ethics and Compliance Officer Association (6 years)
  - Chief Operating Officer / Massachusetts



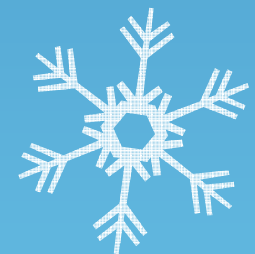
# Ethics and Compliance Officer Association

- Founded in 1992
  - Ethics = evolution over compliance
  - “right thing to do” over economics and over risk of breaking law
  - Empowering CECOs and raising their role/authority in organizations
- 1,300 members from 450 organizations
  - Must be a CECO or member of the E&C team
    - The individuals who set and enforce the standards about bribery/corruption
  - Members from 37 countries
- Serving ECOs from all types of organizations
  - Public and private corporations
  - Nonprofit organizations / NGOs
  - Government offices
  - Universities



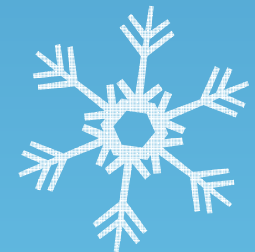
# Diverse Backgrounds of CECOs

- Law (39% of ECOA members are attorneys)
- Internal Audit
- Organizational Development
- Human Resources
- Business Ethics
- Organizational Behavior
- Communications / Public Affairs
- Strategy
- Law Enforcement / Security
- Training
- Finance



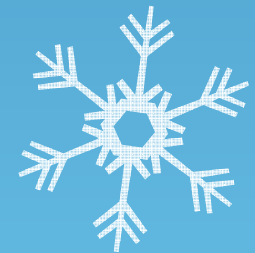
# Issues Managed by E&C Office

- Business ethics issues and “criminal” compliance (as opposed to regulatory compliance)
- Conflicts-of-interest and corporate opportunities
- Unfair business practices (e.g., bid-rigging)
- Fraud
- Confidential / Proprietary information
- Gifts and entertainment
- Anti-Retaliation
- Use of company assets
- Sexual harassment
- Discrimination
- Bribery and kickbacks
- Theft and self-dealing
- Competitive intelligence, espionage, and other anti-competitive behavior
- Favoritism
- Insider trading
- Accounting irregularities / Accurate reporting



# 12 Facets of Ethics and Compliance

1. Team/Function (e.g., Chief Ethics and Compliance Officer)
2. Standards (e.g., *Code of Ethics*)
3. Communications (e.g., policies)
4. Training (e.g., skill-building)
5. Helpline (e.g., anonymity vs. confidentiality)
6. Investigations/Discipline/Incentives
7. Auditing and Monitoring (e.g., spot audits)
8. Risk management
9. Developing an ethical culture
10. Metrics / Continuous improvement (e.g., evaluation)
11. Relationships to Internal Stakeholders (CEO, Legal, etc.)
12. Relationships to External Stakeholders (government, etc.)



# The Voice of the Practitioners

- Voluntary programs
  - Including collective action and other self-regulatory initiatives
- U.S. Sentencing Commission Guidelines
  - Guidelines, not mandates
- Enforcement authorities
  - Glenn Peterson case (U.S.)
  - FCPA Resource Guide (November 2012)
- Key Trends
  - Whistleblowing / Anti-retaliation
  - Ethical culture
  - Reporting structure: to whom does the ethics/compliance officer report
- Considerations
  - Eager to work toward common goals but, like all of us, not 100% in control of their environment
  - Eager to learn the ambition of this group and determine if we can and should help

