

# Greater Houston Business Ethics Roundtable

## Great Expectations: Effective Corporate Compliance in the Global Business and Enforcement Environment

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Washington, DC

September 30, 2010

Houston, TX

# The Essential Ingredients of Corporate Compliance



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USSG's 7 Elements of an Effective Compliance Program	13 Good Practices by the OECD on Internal Controls, Ethics, and Compliance	UK's 6 Principles for "Adequate Procedures"
1. Standards and procedures to prevent and detect criminal conduct	1. Risk assessment as basis for effective internal controls and compliance program	1. Risk assessment
2. Leaders understand / oversee the compliance program to verify effectiveness and adequacy of support; specific individuals vested with implementation authority / responsibility	2. Policy that clearly and visibly states bribery is prohibited	2. Top level commitment
3. Deny leadership positions to people who have engaged in misconduct	3. Training – periodic, documented	3. Due diligence
4. Communicate standards and procedures of compliance program, and conduct effective training	4. Responsibility – individuals at all levels should be responsible for monitoring	4. Clear, practical and accessible policies and procedures
5. Monitor and audit; maintain reporting mechanism	5. Support from senior management – strong, explicit and visible	5. Effective implementation
6. Provide incentives; discipline misconduct	6. Oversight by senior corporate officers with sufficient resources, authority, and access to Board	6. Monitoring and review
7. Respond quickly to allegations and modify program	7. Specific risk areas – promulgation and implementation programs to address key issues	
	8. Business partners due diligence	
	9. Accounting – effective internal controls for accurate books and records	
	10. Guidance – provision of advice to ensure compliance	
	11. Reporting violations confidentially with no retaliation	
	12. Discipline for violations of policy	
	13. Re-assessment – regular review and necessary revisions	
<b>NOTE:</b> A general provision requires periodic assessment of risk of criminal conduct and appropriate steps to design, implement, or modify each element to reduce risk		

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# Key Issues in Corporate Compliance

**Structure and Governance**

**Due Diligence in Emerging Markets**

**Training**

**Oversight**

Thank you ... any questions?

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Paul McNulty, leader of Baker & McKenzie's Global Corporate Compliance Initiative, served as US Deputy Attorney General, the second highest-ranking official in the Department of Justice and chief operating officer of its more than 100,000 employees. In that role, he chaired the President's Corporate Fraud Task Force, where he oversaw several high-profile corporate fraud prosecutions. He launched a national initiative to crack down on fraud in government contracting. Paul served as the Justice Department's representative on the Committee on Foreign Investment in the United States (CFIUS) where he negotiated mitigation agreements involving international companies.

Paul has held other high-level positions in the United States Government including US Attorney for the Eastern District of Virginia, Chief Counsel for the Majority Leader of the US House of Representatives, Chief Counsel for the House Judiciary Committee's Subcommittee on Crime, Principal Associate Deputy Attorney General, and Director of Policy and Communications at the US Department of Justice.

His experience in providing strategic advice and counsel to leaders at the highest levels of federal and state government – including the President, Governors, four Attorneys General, and many high-ranking Congressional leaders – is a valuable resource to clients.

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