

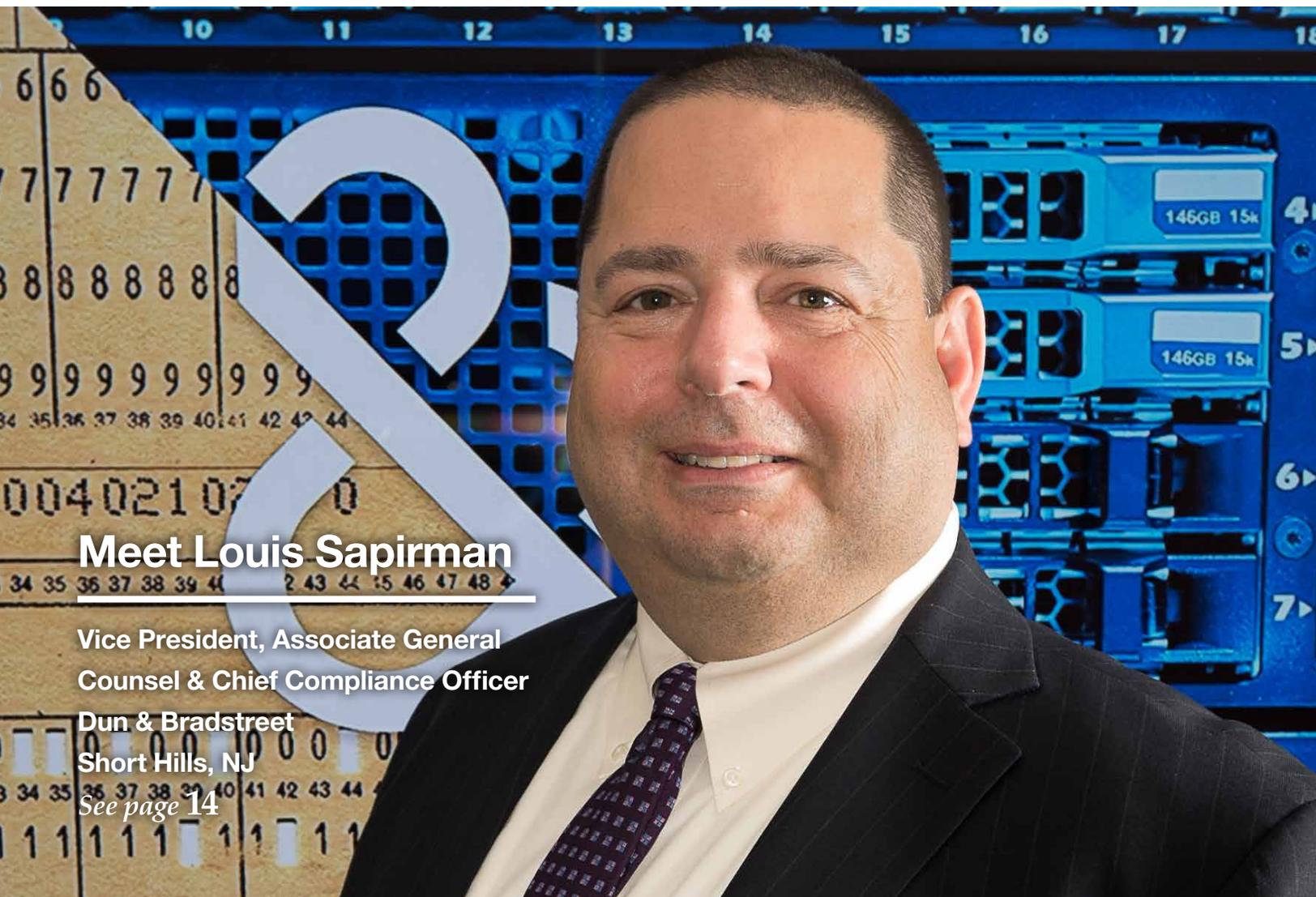
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Meet Louis Sapirman

Vice President, Associate General
Counsel & Chief Compliance Officer

Dun & Bradstreet
Short Hills, NJ

See page 14

27

The critical
role of effective
communication
in compliance

Bill Dee

31

What ethics
and compliance
professionals can learn
from the EEOC

Tucker Miller

35

Insider the prosecutor's
playbook: Broader
lessons from the FCPA
pilot program

Peter Anderson

43

A new anti-bribery
management
systems standard:
ISO 37001

Leslie Benton

by Steven Priest

A good compliance monitor is also a culture monitor

An interview with Jonny Frank, Partner, StoneTurn Group
(JFrank@StoneTurn.com).

Steve Priest: Jonny, you defy stereotypes. You started as a federal prosecutor, then founded PwC's Global Investigations Practice, and now have been appointed Compliance Monitor in many high-profile cases. You speak to the importance of culture more than most in our field. What's behind this?



Priest

Jonny Frank: Over the past 40 years, I've witnessed hundreds of individuals ruin their lives because they had an incentive and opportunity to engage in misconduct. A strong corporate culture would have saved many, if not most, of them.

Steve: How would you describe the corporate culture of organizations that have been assigned government monitors?

Jonny: In my experience, an organization needs to "earn" a government-imposed ethics and compliance monitor. These organizations tend to have focused almost exclusively on meeting minimum legal standards, as opposed to building a culture of integrity.

Steve: How might ethics and compliance monitors help organizations build a strong corporate culture?

Jonny: Ethics and compliance monitors should assess whether and how organizations instill a culture of integrity. We evaluate the design and operating effectiveness of 10 separate elements, including, for example: accountability, budget and staffing, training and communications, incentives and disincentives,

communication channels, measurements of effectiveness, risk assessment and response, and incident investigation and remediation.

Steve: There is some mistrust of monitors in academic and media circles. One main issue: Who monitors the monitors? How do you address this?

Jonny: There are generally two categories of monitors: those appointed by regulators and those appointed by prosecutors. Regulators have always exercised active oversight of the monitors. For example, when I served as Compliance Monitor of a large non-bank mortgage servicer, we met weekly with the state banking regulator to provide status reports and discuss next steps. Prosecutors now are engaging in more active oversight by hiring compliance professionals. I currently serve as a Monitor appointed by the DOJ Fraud Section, with whom I meet on a monthly basis. Additionally, monitored organizations "monitor the monitor" and have been more active in raising concerns with the government.

Steve: What will the future bring?

Jonny: Prosecutors and regulators are becoming much more focused on an organization's culture of integrity and are, therefore, requiring monitors to also consider ethics. My current monitorship, for example, carries the title of "Independent Compliance and Business Ethics Monitor" and mandates that I monitor business ethics as well. *

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