



INTERNATIONAL ENFORCEMENT TRENDS

Ensuring Your Compliance Program
Stays Ahead of Growing Global
Anti-Corruption Efforts

ROPES & GRAY
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Introductions

- *[Moderator gives brief intro regarding subject matter of the panel]*
 - My name is Ryan Rohlfen. I'm a partner in Ropes & Gray's Litigation and Enforcement practice group and a former U.S. federal prosecutor. Prior to joining Ropes, I was a Senior Trial Attorney with the U.S. Department of Justice's Criminal Division – Fraud Section.
 - This panel aims to identify how industry leading compliance professionals use the tools available to them to identify and mitigate anti-corruption risk in the face of a truly global enforcement landscape. We are hoping to cover practical questions and challenges that company counsel and compliance professionals confront on a daily basis, including questions and issues that you may be asking in the future.
 - Without further ado, I want to introduce our panel...



Garrett Cornelison
Chief Compliance Officer
Quanta Services



Jerry Kral
Senior VP, Chief Risk, Ethics,
& Compliance Officer
Brown-Forman



Glenn Leon
Senior VP, Chief Ethics
and Compliance Officer
HPE



Ryan Rohlfesen
Partner
Ropes & Gray

- *[Panelist Introductions]*
 - Garrett Cornelison is the Chief Compliance Officer at Quanta Services. Prior to joining Quanta, Garrett was the Chief Compliance Officer of Key Energy Services and is a former partner at Baker Hostetler, where he headed the Houston office's International Trade & Compliance Practice.
 - Jerry Kral is a Senior Vice President and Chief Risk, Ethics, & Compliance Officer at Brown-Forman. Jerry began his career at a Big 4 consulting firm and in 2008 founded the ethics and compliance consulting firm, AegisAdvantage.
 - Glenn Leon is a Senior Vice President and Chief Ethics and Compliance Officer of Hewlett Packard Enterprise. Prior to joining HPE, Glenn was a Deputy Chief of the Fraud Section of the DOJ's Criminal Division, and previously worked for 12 years as an assistant U.S. Attorney for the District of Columbia.

Enforcement Trends in Action

Trends

- Internal Controls
- Third-Party Relationships
- Acquisition & Integration Risk
- Corporate Communication Records & the Use of Messaging Apps

Possible Responses

- Control Testing & Monitoring Enhancements
- Diligence & Monitoring Enhancements
- Acquisition Program Uplift
- Policy & Technological Enhancements

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Enforcement Trends

[Panelists will use examples from their corporate programs to illustrate how they assessed each of these risks and adjusted their programs to accommodate the changing landscape]

- Internal Controls
 - **[GLENN]**
 - *Questions*
 - *Everybody worries about their internal controls, but what are some of the tools and methods for assessing risk, and how do you know when to do it?*
- Third Party Relationships
 - A consistent trend in recent FCPA enforcement is the use of third parties to effectuate bribery schemes. Recent FCPA settlements are riddled with such circumstances, including **Fresenius** (March 2019 – using distributors, resellers, agents, and suppliers to pay cash, travel, donations, and provide equipment to HCPs and high-ranking government officials); **Mobile Telesystems** (March

2019 – using shell companies in Uzbekistan to wire money and charitable donations to family members of the former Uzbek President); and many more.

- **[JERRY]**
- *Questions*
 - *If your company was starting from scratch on its program today and you knew the business dealt with third parties, what is the first thing you would do to mitigate this risk?*
- Acquisition & Integration Risk
 - DOJ changes to the FCPA Enforcement Policy as it relates to M&A
 - DOJ clarified that Companies that discover wrongdoing after a merger or acquisition can receive a presumption in favor of a declination if they (1) timely self-disclose, and (2) conducted thorough and timely due diligence, and (3) promptly implement an effective compliance program at the merged or acquired entity.
 - **Kinross Gold** Case (2018) – clear example of successor liability in action
 - Kinross was allegedly aware of inadequate internal controls at two newly acquired subs (knowledge shown through post-closing internal audits and pre-acquisition diligence), but failed to pursue any semblance of an ABC program. Kinross ultimately was held responsible for the conduct of the subs.
 - **[GARRETT]**
 - *Questions*
 - *Sometimes with acquisition and integration risk you can deal with audiences that aren't as familiar with the language and potential impacts associated with risk. What are some successful strategies you've used to gather support from various internal stakeholders?*
- Corporate Communication Records & the Use of Messaging Apps
 - 2019 FCPA Corporate Enforcement Policy Changes
 - Policy changes acknowledge the reality that WhatsApp and other services are used in the modern business context, but it also imposes an obligation to place controls on these materials as part of its information retention efforts.
 - **[GLENN TO LEAD; OTHERS TO ADD]**
 - *Questions*

- *How is HP dealing with tech questions like these when it comes to Legal and Compliance Risk?*
 - *Are analytical tools and AI making their ways into your compliance programs? If so, in what ways?*
- *Broader Questions for Group (if there is time)*
 - *What has changed most in your corporate compliance program over the past 5 years?*
 - *With enforcement increasing in a number of high-impact markets around the globe, how do companies decide how to allocate finite resources to investigating more and more allegations of misconduct?*

Q&A