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EDITORIAL

I AM THAT I AM

Anthony Smith-Meyer*



■ **One of the fascinating aspects of editing this Journal**, is to establish a given theme, and then observe the pieces (i.e. the articles) start to form a pattern. As authors bring their unique experience and expertise to the issue, oblivious to the pattern that emerges, the Editor has the real honour of viewing this pool of knowledge from a holistic perspective, and from it to realise the value of shared experience.

It's a privilege to reproduce a chapter from Andrea Bonime-Blanc's new book *The Reputation Risk Handbook* in our *Lectern* column, in which she discusses and defines the strategic nature of reputation. For third parties, who we are is defined by our reputation, and our ability to succeed is determined by its quality. In an ever more transparent and competitive world, what could be more central to achieving our aspirations? The question of how we can influence and manage that reputation looms large, and is in part answered by the practical guidance offered by our various authors featured in this issue.

The norms of good business conduct do not merely “happen”. In the second of her two-part *Management Corner* discussion of risk culture in the organisation, Alison Taylor tackles the practical question of how to “make it happen”. The key, as she explains, is clarity as to who holds responsibility and/or accountability for ensuring that risk management remains effective as a governance framework, and becomes embedded in the very ethos of the organisation – the norm of behaviour and conduct that all adhere to.

The point that Alison makes could not be highlighted more than by the conclusions of the OECD Bribery Report published in December 2014. In our *Regulatory Viewpoint* column, Leah Ambler explains its main findings using clear case studies that show, amongst other things the absence of a culture that prevents the complicity of senior management in 41% of corruption cases.

Those who have dedicated time, even careers, to raise awareness of, and

* **Anthony Smith-Meyer** is Editor-in-Chief of the Journal of Business Compliance. His biography may be found in the final section of this issue.

EDITORIAL

influence organisational culture know how difficult a task this is. Leading by example may be a start, but how many followers actually see, or experience that example. Can the casual acts of one individual or group communicate a clear message of values held, and ethical standards expected? Are the lines that are drawn etched into the foundations of the organisation, or do they fade in the face of the winds of time - like grains of sand? If organisational culture is of strategic importance, why then do we rely on tick-box training and communication to enforce it? In the first of our three *Effective Practitioner* articles, Joel Rogers explains how marketing techniques work, and how they may be applied to a more dynamic approach to influence values, norms and conduct within the firm.

The OECD Bribery Report serves to remind us of the external pressures that work against our efforts to promote integrity in our organisations – when “realpolitik” seeks to overcome good intentions. In our second *Effective Practitioner* article, our friends at ELIG

have come together to build the case for affirmative action to promote collective action. Their step-by-step guide on how to work towards creating a common front against corruption and illegal business practices should be a source of hope and inspiration for action.

Finally, an issue themed on reputation, and the organisational culture that stands behind it, would not be complete without addressing the biggest, emerging, new age challenge, where the risk appears almost unmanageable. In our final *Effective Practitioner* article, Simon Gibbins presents the intractable topic and question surrounding the need to have a view on a Social Media Policy, and shows how to grab this rose by its thorns. ■

“Never forget what you are, for surely the world will not. Make it your strength. Then it can never be your weakness. Armour yourself in it, and it will never be used to hurt you.”

– GEORGE R.R. MARTIN,
A GAME OF THRONES

REGULATORY VIEWPOINT

LESSONS FROM THE OECD FOREIGN BRIBERY REPORT: THE DARK HORSE, THE PAPER TIGER AND CHICKEN LITTLE



By Leah Ambler*

■ The OECD Foreign Bribery Report was launched on 2 December 2014 and is a first attempt to measure the crime of bribery of foreign public officials in international business, based on confirmed cases. The Report analyses data emerging from the 427 foreign bribery cases that have resulted in definitive sanctions since the entry into force of the OECD Anti-Bribery Convention in 1999. One of the more startling findings in the report is that some level of corporate management was involved in 41% of cases and in 12% of cases the company's President or CEO was implicated. From a corporate governance and compliance perspective, this begs the question as to what went wrong and why. In this paper, Leah Ambler draws on specific case studies to examine the failures that led to the company being sanctioned for bribery in international business and how this could have been avoided through strengthened corporate governance and compliance frameworks.

The OECD Foreign Bribery Report: Anatomy of a corrupt transaction

The OECD Foreign Bribery Report¹ provides us with an evidence-based anatomy of the crime of bribery of foreign public officials in international

business transactions, or foreign bribery. It describes who is bribing who, how bribes are paid, where they are paid, how bribery is uncovered and how the culprits are being caught and punished. It importantly debunks the myth of the 'rogue employee'

* **Leah Ambler** is a Legal Analyst with the OECD Anti-Corruption Division. The views in this paper are those of the author, and do not reflect the views of the OECD member countries, nor of the States Parties to the OECD Anti-Bribery Convention.

1 OECD (2014), *OECD Foreign Bribery Report: An Analysis of the Crime of Bribery of Foreign Public Officials*, OECD Publishing, Paris. DOI: <http://dx.doi.org/10.1787/9789264226616-en>.

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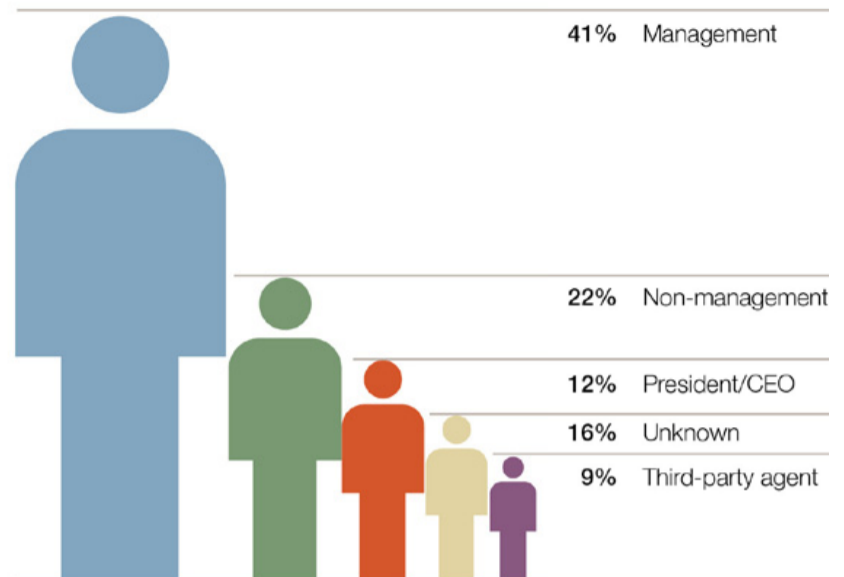


Figure 1: **Senior Management was involved in over 50% of cases studied**

Source: OECD analyses of foreign bribery cases concluded between 15/02/1999 and 01/06/2014

defrauding the company to pay bribes without its knowledge, to reveal that some level of corporate management was involved in the bribery scheme in 41% of cases and the company President or CEO was implicated in 12% of cases.

The Report rebuts some other important assumptions about this crime, something that boards and shareholders should take into account when conducting future risk assessments. Firstly, least developed countries are not the only ones suffering from the scourge of corruption – one in five bribes was paid in countries with very high levels of human development, according to the UN Human Development Index. Out of the body of cases analysed for the report, bribes were paid to public officials from 24 out of the 41 member countries of the OECD Working Group on Bribery and 15 out of the 19 member countries of the G20. Another surprising outcome is the identity of the official who was bribed. Contrary to popular belief, employees of State-owned or controlled companies (SOEs) were most often on the receiving end of the corrupt transaction (in 27% of cases) they were followed by customs officials (11%), health officials

(7%) and defence officials (6%). Heads of State and Ministers, most commonly suspected to be in the pocket of big business, were bribed in 2% and 3% of cases, respectively.

The OECD Foreign Bribery Report also sets out the categories of penalty imposed on individuals and companies found to have bribed in international business. Requirements for companies to strengthen their anti-bribery compliance measures or programmes play a prominent role in this analysis. Seventy of the 164 companies sanctioned were required to develop and implement a compliance programme, to review or regularly report on their existing compliance programme, or to appoint a compliance ‘monitor.’ These ‘compliance sanctions’ were only applied in cases pursued by the United States Department of Justice (DOJ) or Securities and

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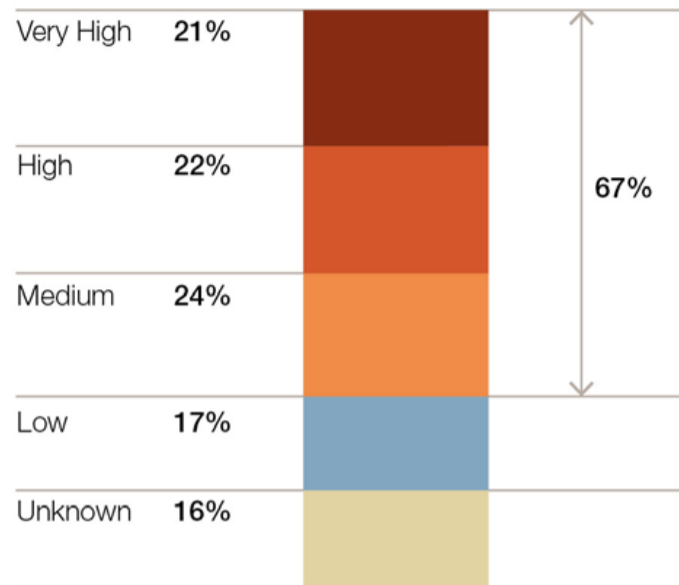


Figure 2: **Two-thirds of bribes were paid to officials in countries higher on the UN Human Development Index**

Source: OECD analyses of foreign bribery cases concluded between 15/02/1999 and 01/06/2014

Exchange Commission (SEC). The most alarming of these compliance orders are those relating to compliance ‘reviews’; as despite some companies having established compliance programmes, significant bribes were still paid to win business. The Report does not, however, tell us how many companies had compliance programmes in place at the time of the corrupt conduct and why these programmes failed to prevent it. Below are three examples of specific cases in which compliance failures led to foreign bribery enforcement actions and the severe financial and reputational consequences they entail. It is hoped that they will provide useful lessons in avoidance for those seeking to create a functional corporate culture of compliance and integrity.

The Dark Horse

The first case example from the OECD Foreign Bribery Report dataset is that of

German company Deutsche Telekom and its Hungarian subsidiary, Magyar Telekom. Both companies agreed in December 2011 to pay a combined USD 95 million penalty to settle civil and criminal charges by the US DOJ and US SEC for bribery of Macedonian and Montenegrin public officials by Magyar Telekom.² According to the SEC Complaint, the bribe payments in question were recorded on Magyar Telekom’s books and records in a manner that did not actually reflect their true purpose (i.e. bribery of foreign public officials). These were then consolidated into Deutsche Telekom’s financial statements, no questions asked.³

2 For more information: <http://www.justice.gov/criminal/fraud/fcpa/cases/deutsche-telekom.html>; <http://www.justice.gov/criminal/fraud/fcpa/cases/magyar-telekom.html>; <http://www.sec.gov/litigation/complaints/2011/comp22213-co.pdf>.

3 SEC v Magyar Telekom Plc and Deutsche Telekom AG, paragraphs 4-5, 19, 24 and 37: <http://www.sec.gov/litigation/complaints/2011/comp22213-co.pdf>.

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This case conveys a sense of complacency by parent companies about the conduct of their subsidiaries, perhaps due to a mentality that related companies must be obeying the rules as they are ‘one of ours.’ Data from the OECD Foreign Bribery Report shows that such complacency can be dangerous, with 75% of cases involving bribery through intermediaries of which 35% were corporate vehicles, including foreign subsidiaries. The Statement of Facts in the US DOJ Non-Prosecution Agreement (NPA) with Deutsche Telekom states that a Deutsche Telekom Executive was a board member of various subsidiaries in the group, including Magyar Telekom, and was aware of the corrupt conduct.⁴ It is unclear, however, whether this Executive reported this conduct to the Deutsche Telekom Board and CEO.

As Deutsche Telekom can probably attest, it is important to be alert to ‘dark horses’

when implementing an anti-bribery compliance program. This case is a lesson in ensuring that compliance and ethics policies apply throughout the company, including domestic and foreign subsidiaries, joint venture partners, third party agents, contractors and other intermediaries.

The Paper Tiger

One company that was sanctioned by the Swiss law enforcement authorities, and that features among the cases analysed for the OECD Foreign Bribery Report, made headlines on 22 December 2014 for receiving the largest penalty ever assessed by the US DOJ in a case under the US Foreign Corrupt Practices Act (FCPA).⁵ While criminal proceedings are still ongoing against companies in the Alstom Group in several other jurisdictions, the Swiss and US Alstom decisions provide an example of a company whose compliance programme was certified – during the

4 US DOJ, In Re Deutsche Telekom AG (2011), Non-Prosecution Agreement, Appendix A – Statement of Facts, page A-1: <http://www.justice.gov/criminal/fraud/fcpa/cases/deutsche-telekom/2011-12-29-deutsche-telekom-npa.pdf>.

5 The OECD Foreign Bribery Report analyses cases concluded between the entry into force of the OECD Anti-Bribery Convention (15 February 1999) and 1 June 2014, the US DOJ penalty post-dates this period and is therefore not included. United States v. Alstom S.A., et al. sentencing is scheduled for 23 June 2015. For more information: <http://www.justice.gov/criminal/fraud/fcpa/cases/alstomsa.html>.

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75%
OF CASES INVOLVED
PAYMENTS
THROUGH
INTERMEDIARIES

period of the corrupt conduct cited in these decisions – for its conformity with international compliance standards on paper,⁶ but that proved drastically deficient in practice. Failures in Alstom’s compliance system resulted in a decade-long corruption scheme that was ‘astounding in its breadth, its brazenness and its worldwide consequences.’⁷ In November 2011, in a landmark test case applying Swiss corporate liability provisions for the first time in the context of transnational corruption, the Swiss Office of the Attorney-General (OAG) concluded a case against Alstom S.A. and its Swiss subsidiary, Alstom Network Schweiz, which oversaw compliance in relation to consultancy agreements in the power systems and power services sectors. In determining whether Alstom ‘[could] be held to have failed to take all reasonable and necessary organisational measures to prevent [foreign bribery]’ in accordance with

the standards for corporate liability set out in article 102(2) of the Swiss Criminal Code, the OAG considered the compliance unit of Alstom Network Schweiz to be:

‘understaffed and filled with employees with too little experience and/or training in compliance issues, and who furthermore did not have the power required to implement the ambitious ideas entertained for preventing corruption in the company on a daily basis. In these circumstances, the department could not perform sufficiently the supervisory function expected of it during the performance of the consultancy work, which by its very nature was very susceptible to corruption. The department’s failure to take appropriate action with respect to misconducting consultants and Alstom employees contributed further to the occurrence of the presently assessed cases of corruption.’⁸

6 Ethic Intelligence, Anti-Corruption Certification awarded to Alstom (certifications dating 2009-2014), <http://www.ethic-intelligence.com/certification/anti-bribery-compliance-certification/96-alstom-certificate/>.

7 US Deputy Attorney-General James M. Cole, 22 December 2014, <http://www.justice.gov/opa/speech/remarks-deputy-attorney-general-james-m-cole-press-conference-regarding-alstom-bribery>.

8 ‘Strafbefehl’ (non-official translation in English: Summary Punishment Order) of 22 November 2011, issued under article 352 of the Swiss Code of Criminal Procedure, Bern, 22 November 2011, paragraph 15. Analysed and cited in (OECD 2014) Phase 3 Report on implementing the OECD Anti-Bribery Convention in Switzerland, December 2011: <http://www.oecd.org/daf/anti-bribery/anti-briberyconvention/Switzerlandphase3reportEN.pdf>.

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Companies most commonly uncover bribery in their international business operations through internal audits

Also of interest is the way the parent company, Alstom S.A. integrated compliance into its corporate structure. Rather than having a centralised compliance function in the France-based parent company with oversight of compliance in the company's global operations, it isolated responsibility for the Group's compliance in several subsidiaries. For example and as mentioned above, Alstom's Swiss subsidiary supervised compliance in relation to consultancy agreements in the power systems and power services sectors. If this was a deliberate attempt to outsource liability for compliance failures, the recent US DOJ sanction has proved it unsuccessful. The US DOJ Information in the matter of Alstom S.A. shows that despite consultancy arrangements raising 'red flags' under Alstom's own policies:

*'certain executives who had the ability to ensure appropriate controls surrounding the due diligence process themselves knew, or knowingly failed to take action that would have allowed them to discover, that the purpose of hiring the consultant was to conceal payments to foreign officials in connection with securing projects and other favorable treatment in various countries around the world for Alstom and its subsidiaries.'*⁹

In the world of compliance, actions may speak louder than words. Compliance programmes can and have been found to be 'paper tigers' and companies clearly need to invest not only in the design and publication of such programmes but also in their ongoing implementation and effectiveness.

Chicken Little¹⁰

Norwegian and US law enforcement actions in 2006 against Norwegian oil and

9 United States v. Alstom S.A., et al., Information, paragraph 31:

<http://www.justice.gov/criminal/fraud/fcpa/cases/alstomsa/DE-1-Information-for-SA.pdf>.

10 One who warns of or predicts calamity especially without justification, Merriam-Webster Dictionary. From a late-nineteenth century fable in which a chick attempts to warn other barnyard animals that the sky is falling after she is struck on the head by a chance falling object.

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gas company, Statoil, are one of the first examples of international cooperation in a foreign bribery case and also feature in the OECD Foreign Bribery Report dataset. Statoil was sanctioned for bribery of Iranian public officials by way of a consultancy contract with an Iranian official with a proven ability to influence other, higher-ranking officials in favour of Statoil's business interests in Iran.

In this case, following concerns raised in an internal audit, Statoil's Chief Financial Officer and head of internal audit commissioned an internal investigation which provided '*a strong indication of the consultant being involved in corrupt-like practices.*' The findings of the investigation were presented to the then-Chairman of the Board and CEO, consecutively. While action was eventually taken to suspend further payments to the official, the consultancy contract was not terminated and no other action was taken to address the concerns that had been raised. The case was made public through press

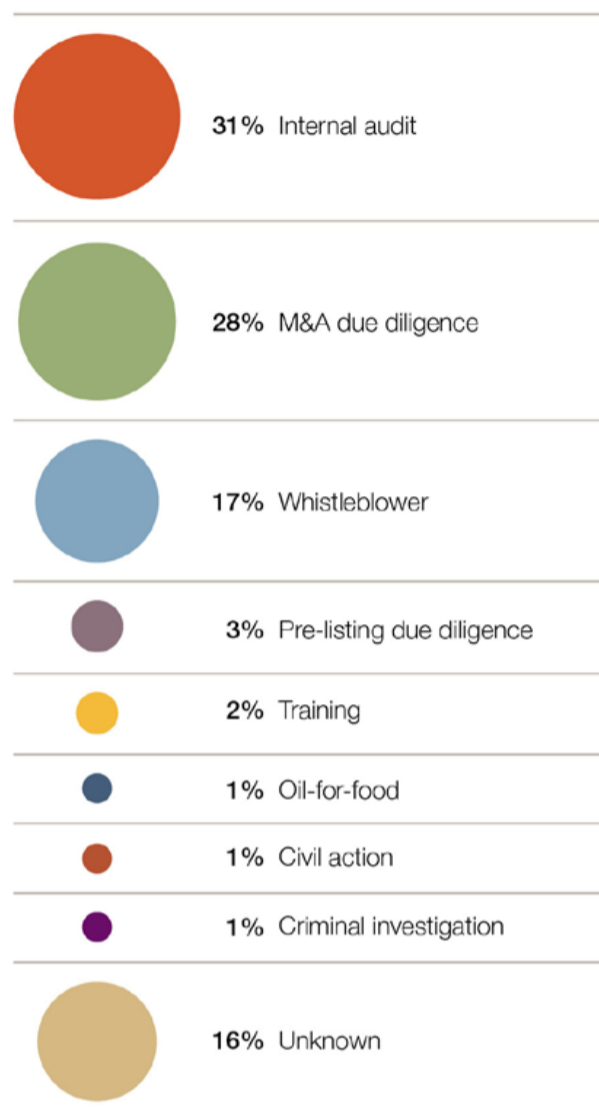


Figure 4: **How self-reporting companies become aware of foreign bribery in their business operations**

Source: OECD analyses of foreign bribery cases concluded between 15/02/1999 and 01/06/2014

reports and resulted not only in sanctions by the Norwegian National Authority for Investigation and Prosecution of Economic and Environmental Crime, Økokrim, and the US DOJ and US SEC, but also in the resignation of Statoil's Senior Executive and Chairman of the Board. As a consequence of a vote of no confidence by Statoil's Board of Directors, the CEO also resigned.¹¹

11 US SEC, Release No. 54599 / October 13, 2006, ADMINISTRATIVE PROCEEDING, File No. 3-12453 in the matter of Statoil, ASA, paragraphs 17-19: <http://www.sec.gov/litigation/admin/2006/34-54599.pdf>.

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As the OECD Foreign Bribery Report shows, companies most commonly uncover bribery in their international business operations through internal audits (in 31% of cases where the company voluntarily disclosed the conduct to the relevant law enforcement authority), such reports are therefore vital weapons in the fight against corruption. The second most common source of detection for companies is due diligence in the context of mergers and acquisitions (28% of cases).

The Statoil case demonstrates the importance of instilling a ‘tone from the top.’ A compliance programme is only as strong as the Board and CEO’s conviction in implementing it. Individuals responsible for compliance should not be treated like Chicken Little within their own company and need to enjoy independence from – but at the same time, access to and with the full support of – management at all levels if they are to carry out their functions successfully.

What is the OECD doing to help?
The OECD Foreign Bribery Report

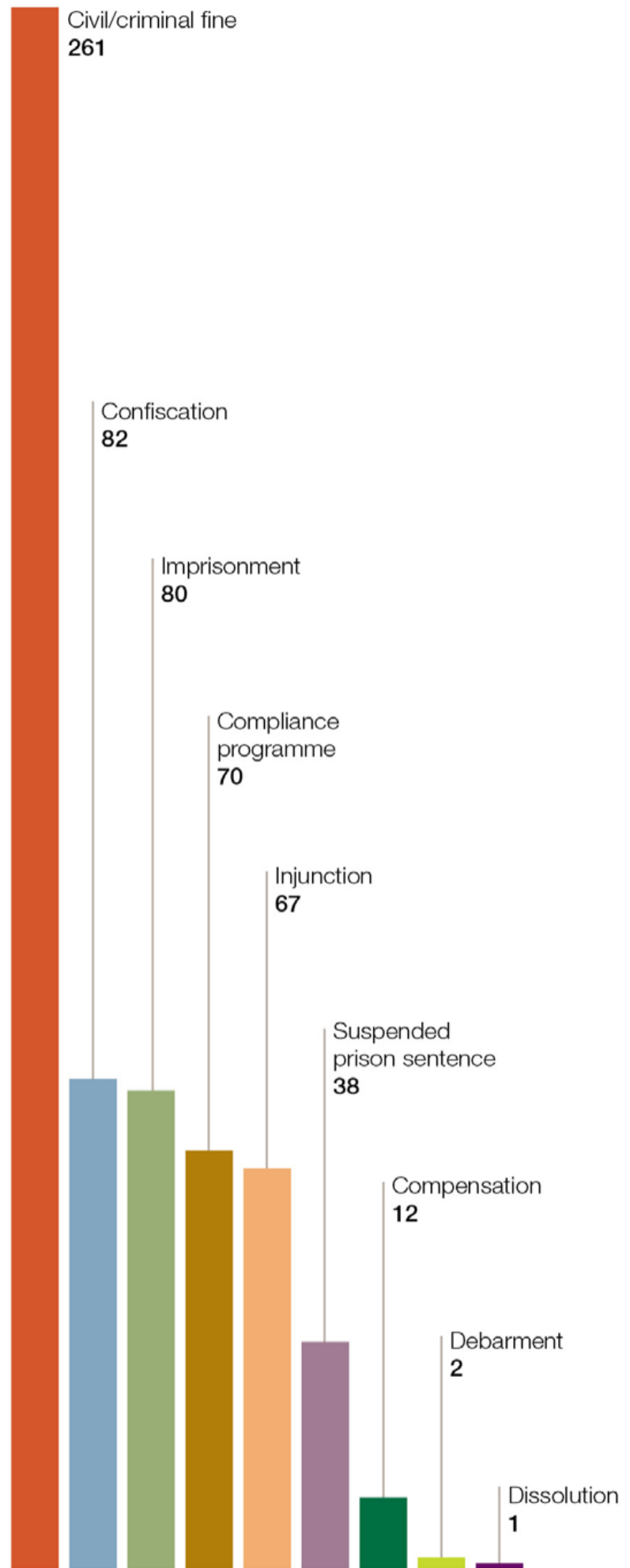


Figure 5: **How is foreign bribery punished?**
Source: OECD analyses of foreign bribery cases concluded between 15/02/1999 and 01/06/2014

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With only 17 out of 41 States Parties to the OECD Anti-Bribery Convention ever having concluded a foreign bribery case, an enforcement gap remains

describes the who, what, when, where, why, how and amount of foreign bribery enforcement actions over the last fifteen years. The Report makes it clear that with only 17 out of 41 States Parties to the OECD Anti-Bribery Convention ever having concluded a foreign bribery case, an enforcement gap remains. The OECD will continue its rigorous monitoring system to apply pressure to member governments to ensure their law enforcement authorities thoroughly investigate all allegations of bribery of foreign public officials by their nationals and companies. The next phase of peer review, Phase 4, is being designed by the OECD Working Group on Bribery for this very purpose.

The data in the OECD Foreign Bribery Report and these three cases, are indicative of the kinds of top-down, bottom-up failures of corporate governance, compliance and risk management that led to damaging run-ins with law enforcement. Some of these companies also enjoyed, or currently enjoy some level of State participation, which in and of itself entails additional corporate governance challenges.

The question now is how will the OECD use this data to reinforce efforts to combat transnational corruption? One response is the recent launch of the Trust and Business (TNB) Project, a multidisciplinary and multi-stakeholder OECD initiative that aims to bridge the gap between international rules for doing business and their active implementation. The TNB Project aims to work with governments, business, and other important stakeholders to promote smarter, more integrated:

- Compliance by companies, rooted in efficient corporate governance frameworks, and
- Enforcement by governments, rooted in inter-agency coordination and effective international cooperation.

The report demonstrates that there is still considerable work to be done, and that the heavy lifting needs to start at the top of the organisation, and be diligently applied throughout. This effort, designed to encourage mutually supporting actions on the part of market actors and the enforcement agencies, provides a window

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of opportunity for progress in the war on corruption. For more information on the TNB Project, or to participate, please visit: www.oecd.org/daf/ca/trust-business.htm. ■

Leah Ambler has been a legal analyst in the OECD's Anti-Corruption Division since joining the organisation in 2009. Her main responsibility is supporting the Working Group on Bribery's monitoring of the OECD Anti-Bribery Convention and related instruments, and has participated in evaluations of various countries including Argentina, Brazil, Canada, Israel, Mexico, Switzerland and members of the EU. She manages the OECD-Latin America Anti-Corruption Programme and in this context, facilitates the Working Group on Bribery's consideration of requests of non-member countries in the region to accede to the OECD Anti-Bribery Convention. Prior to joining the OECD, Leah was a Legal Specialist in the International Law Branch of the Australian Department of Foreign Affairs and Trade. Leah has a combined Law and Asian Studies (Japanese) degree from the Australian National University, and is admitted to the Australian bar.

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■ **Anthony Smith-Meyer** left mainstream banking to establish a career as a specialist within Governance and Compliance matters. He is Editor-in-Chief of the Journal of Business Compliance and is an Adjunct Professor and lecturer of International Business and Management at the European Campus of Miami University, Ohio. Previously a member of the Group Executive Committee of Compliance and Control at BNP Paribas, Anthony has been extensively involved with Compliance matters since 2003, when he established the Compliance Department for Merchant Banking at Fortis Bank, assuming responsibility for their Group Compliance function in October 2008. Anthony's career spans over three decades working for UK, North American, Scan-

dinavian, Benelux and French institutions in a wide range of activities including relationship driven corporate and correspondent banking, as well as product area trading room activities, structured, asset and project finance. Anthony served as Chairman of the European Securitisation Forum during 2003/04. Anthony holds the UK Institute of Directors Diploma in Corporate Direction and is certified as a qualified Director by the Institut Luxembourgeois des Administrateurs; the Luxembourg Institute of Directors, where he regularly instructs on the subject of Governance and Director Responsibilities. Anthony is a regular speaker, and facilitator of Master Classes on board directorship, governance and compliance management.

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■ **Andrew Buckhurst** is Head of Investor Relations at RTL Group, Europe's largest media company. He previously combined this role with that of Ethics and Compliance officer. Andrew was responsible for the management of the Groups' ethics and compliance programme which entails reporting to the Group's Audit Committee and the Group's Corporate Compliance Committee, which is made up of senior management. He was responsible for the development and implementation of the Group's Code of Conduct and co-ordinated the Group's approach towards related policies and procedures. As compliance officer, Andrew handled all the whistle-blowing and other code of conduct violations across the Group. Andrew has a degree in Accounting and Finance and

is a member of the Institute of Chartered Accountants in England & Wales (ICAEW).

■ **Mark Compton** is a partner in the Financial Services Regulatory & Enforcement practice of the London office, where he advises on UK and EU financial services legislation and enforcement. In addition, Mark counsels clients on anti-money laundering and anti-bribery legislation and systems and controls, and economic sanctions. Alongside banks and other financial services firms the clients he advises include multinational energy trading and exploration companies and engineering companies. Prior to joining Mayer Brown in 2011, Mark worked for BP plc for over six years as the senior financial services and regulatory lawyer, covering also their commodity trading

division. Mark's work also advised on matters related to physical commodity and emissions allowance trading, internal investigations, import licenses and more. Mark also spent over five years at the FSA where he worked in the Enforcement Division on market abuse and Listing Rule breaches amongst other areas.

■ **Scott Killingsworth** is a partner in the Atlanta, Georgia office of the international law firm Bryan Cave LLP. As a business lawyer, he is focused on governance and strategy formulation, corporate compliance program design and implementation, and transactions such as intellectual property licensing and protection; strategic alliances; and mergers and acquisitions. A 2013 Burton Distinguished Legal Writing Award honoree, Scott has a long standing interest in

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both the writing and publication of authoritative works in the area of corporate governance and regulatory compliance. He has served on the Editorial Boards of E-Commerce Law Report, Technology Transactions, the International Journal of e-Business Strategy Management and Intellectual Property Counselor, and as Contributing Editor to a Matthew Bender treatise on the legal duties of corporate boards of directors. He is a regular speaker and facilitator at governance and compliance events in the USA and has been honored by inclusion in the Ethisphere Institute's 2013 list of "Attorneys Who Matter" in ethics and compliance. Scott currently serves on the Boards of the Center for Ethics and Corporate Responsibility and the Georgetown Corporate Counsel Institute. Having published numer-

ous articles dealing with corporate law, compliance and ethics programs, technology law, and legal history, his work has been cited in law reviews from Stanford, Harvard, Northwestern, Berkeley, and Vanderbilt, among others, in several textbooks and legal reference works, and in an opinion of the Supreme Court of Canada.

■ **Sonja Lohse** is presently the Chief Advisor and Head of the General Secretariat at the Finnish FSA. She started at the FSA in 2014 after a long banking career spanning 13 years, during which she was heading the compliance function of Nordea Bank. She is a lawyer by profession and after having graduated from the University of Helsinki she went into banking business. During 30 years with Nordea she held numerous

positions e.g. introducing a framework for corporate social responsibility as well as for compliance, which function she built up in Nordea. During her years in banking she was also involved in many European working and expert groups appointed by the EU Commission or European FSAs, holding the chairmanship of the EBF Financial Markets Committee from 2007 through 2013.

■ **Pedro Montoya** was appointed Group Chief Compliance Officer by the Board of Directors of EADS in October 2008. Under the authority of the Board's Audit Committee, he designed and set up the newly created Corporate Compliance Office. Reporting to the Group CEO, he leads the EADS Ethics and Compliance Program with 140 full time employees. Pedro gradu-

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ated in his home town from the Universidad Complutense of Madrid and obtained his Master in Laws by the Instituto de Empresa. He started his career in 1986 in Procter & Gamble and 4 years later joined the Spanish Aerospace Group CASA where he became General Counsel and Company Secretary. Upon the formation of EADS in 2000, when he actively participated to the contribution of the Spanish assets, Pedro joined the Corporate Legal Department as VP Head of Contracts, Litigation and Intellectual Property. Before his appointment as Group CCO, he served three years as General Counsel EADS International.

■ **Dr. Klaus Moosmayer** is since January 2014 the Chief Compliance Officer of Siemens AG. He is leading the

global Compliance Organisation of Siemens and reports to the General Counsel of Siemens and the Board of Management. Before his recent nomination he served since 2007 in several top management positions of the Siemens Compliance Organisation and had a leading role in developing the new Siemens Compliance Program in the course of the last years. Before entering the Siemens Legal Department 2000 he was in private practice as a lawyer. Klaus has published extensively to Compliance and white collar crime topics – including Compliance and Anti-Corruption Manuals for companies – and speaks frequently on national and international conferences on Compliance topics. In November 2013 Klaus was elected as the new Anti-Corruption Chair of the Business and Industry

Advisory Committee to the OECD (BIAC).

■ **Dr. Prof. Dr. jur. Mark Pieth** completed his PhD in criminal law and criminal procedure at the University of Basel. After an extensive time abroad, including the Max Planck Institute for Criminal Law and Criminology in Germany and the Cambridge Institute of Criminology in the United Kingdom, Mark practiced for a time as a barrister, before he completed his post-doctoral thesis on sanctioning and other aspects of criminology. From 1989 to 1993, Mark was Head of Section – Economic and Organised Crime at the Swiss Federal Office of Justice (Ministry of Justice and Police), whilst also serving as Member of the Financial Action Task Force on Money Laundering (FATF) and Chair of an intergovern-

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**Ludo
Van der Heyden**



**José Zamarriego
Izquierdo**

mental expert group charged by the United Nations with determining the extent of the illicit traffic in drugs. Mark's work at the international level has continued through to the present, including chairing the OECD Working Group on Bribery in International Business Transactions, and co-initiating the Wolfsberg AML Banking Initiative; and as a Member of the Independent Inquiry Committee into the Iraq Oil-for-Food Programme and the Integrity Advisory Board of The World Bank Group (IAB).

■ **Ludo Van der Heyden** has been *Professor of Technology and Operations Management* at INSEAD since 1988. He currently holds *the Mubadala Chair in Corporate Governance and Strategy*. As the *Academic Director of INSEAD's Corporate Governance Initiative*, he is respon-

sible to develop INSEAD's activities in corporate governance and contributes to INSEAD's MBA and Executive Programmes. He also holds mandates as board director for a number of start up ventures. At INSEAD, he has earned several awards and was the first holder of the *Wendel Chair in the Large Family Firm*, which to the creation of the *Wendel International Centre for Family Enterprise*. Ludo has published in many journals such as *Harvard Business Review*, *Family Business Review* and *The International Journal of Game Theory* a.o. He co-authored *Industrial Excellence*, a book identifying better manufacturing practices. Before joining INSEAD, Ludo taught at the School of Organization and Management at Yale University and at the John F. Kennedy School of Government at Harvard University. He holds an Engineer-

ing Degree in Applied Mathematics and a Ph.D. Degree in Administrative Sciences from Yale University.

In 1996 the King of Belgium appointed him *Officer of the Order of Leopold*.

■ **José Zamarriego Izquierdo** is the Director of the Code of Practice Surveillance Unit of the National Association of the Pharmaceutical Industry in Spain (Farmaindustria). Together with his team he oversees implementation and compliance with the self-regulation system of the pharmaceutical industry. At a European level, José is Chair of the EFPIA (European Federation of Pharmaceutical Industries and Associations) Code Compliance Committee and Vice-Chair of the Compliance Committee. He is also Chairman of the International Federation of Pharmaceutical

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**Nico Zwikker****Adrienne Chang**

Manufacturers & Associations Code Complaint Procedure Adjudication Group. José holds a PhD. in Economics & Business Studies at the Universidad Complutense de Madrid, and an MBA on Business Administration at the University of Wales, and a General Management Program by the IESE Business School. Before joining the innovative pharma association, he was General Secretary and General Director of the Spanish Generic Pharmaceutical Manufacturers Association (AESEG). José also has a background as an educator in the Universidad Europea de Madrid (UEM), where he was Dean of the Faculty of Economics and Business Administration and Executive Director of the UEM General Foundation.

■ **Nico Zwikker** started his career as a lawyer at the Amster-

dam bar and went on to the banking industry where he has been active for the past twenty five years. During this period Nico has held a number of senior positions as a lawyer, and as risk and commercial manager, but for the past six years he has held the position of head of compliance at a number of international financial institutions, the last being ABN Amro following the nationalisation and integration of the Netherlands assets of Fortis and ABN Amro. Nico's experience in compliance, reputation and regulatory risk management overarch a wide range of businesses and business risk profiles, from the retail and private banking end of the spectrum. During the course of his career, Nico has embarked on a stakeholder management approach in dealing with regulators including national regulators and a

significant number of foreign regulators, and has gained experience in the fast developing regulatory banking and securities landscape. He was one of the founding fathers of the Netherlands Association for Compliance Officers and chaired the association for a number of years. Nico teaches at the Vrije Universiteit in Amsterdam and at the Netherlands Institute for the Banking and Securities Industry. He is a regular contributor to industry conferences and publications.

EDITORIAL TEAM

■ **Adrienne Chang** is a former management consultant with Booz Allen Hamilton, a global management and strategy consulting firm. Previously based in Washington, DC, Adrienne advised U.S. domestic and foreign government ministries undergoing

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Sharon Ward

large-scale regulatory change and organisational restructuring to better improve service delivery to its citizenry. Specializing in organisational strategy and redesign, she worked with public sector clients primarily in the areas of governance, business process improvement and reengineering, performance measurement, change management, and strategic communications. With ten years in the management consulting industry, Adrienne has also worked with international accounting and consulting firms Arthur Andersen and Grant Thornton, providing advisory services to public sector clients in the areas of government regulation and international development. She most recently finished a one-year position at the U.S. Embassy in Luxembourg, where she served as the personal assis-

tant to the American Ambassador to Luxembourg. Adrienne received her Master's degree in international relations and public policy from Columbia University, in New York City.

■ A regulatory compliance specialist, **Sharon Ward** is the Chief Examiner for Compliance at the International Compliance Association (ICA) and a regular tutor/contributing author for International Compliance Trainings (ICT) professional education programmes, both in the UK and worldwide. She is also involved in a number of compliance related projects, including the development and delivery of the Financial Services Compliance Module of the Chartered Banker MBA at Bangor Business School, for which she is currently the Module Director.

A former senior compliance practitioner in the UK, as a member of the senior management team Sharon played an integral role in ICA's and ICT's development. Sharon has been involved in key initiatives within the industry over a number of years and served as Chair of the Midlands Region for the Compliance Institute in the UK where she was also a member of its Professional Education Board. A Fellow of the ICA, Sharon is also a Fellow of the Chartered Institute of Educational Assessors and holds an MSc in Financial Regulation & Compliance Management from London Guildhall University. Sharon is currently undertaking doctoral studies at Bristol University. ■

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