Corporate Compliance

<https://www.navexglobal.com/en-us/employee-compliance-training-ppc?gclid=Cj0KCQjwvIT5BRCqARIsAAwwD-SwS5Ytoo6ZNfH2HXNELoJfiInrDXV-4DoShTyBu7hc-7iHSVLY38MaAnozEALw_wcB>

What is corporate compliance – simply put is following the rules. Various federal, state, and local laws dictate how our business runs and what it is allowed to do. The company code of conduct is part of corporate compliance.

In specialty areas specific to the industry of which the business is associated, there are various regulating organizations that provide regulations (laws) guidelines (standards that should be met), and recommendations (best way to do it).

All these official bodies have inspections, approvals, licenses, certifications, and accreditations that allow the company to perform its service to consumers.

Origins

Corporate compliance was born out of a federal law (The FCPA c.1977) the addressed the issue of U.S. citizens of publicly traded companies bribing foreign governments to benefit their businesses. Since then corporate compliance has evolved to be required in most industries from healthcare to financial institutions.

What constitutes a bribe?

Giving anything of value, directly or indirectly, in exchange for a favor either to take an action or not taking an action. A bribe can be verbal and blatant or subversive and suggestive.

Red Flags of possible bribes in the workplace:

* Vague, complex, or unnecessary contracting, outsourcing, accounting, or payments.
* Elaborate or unnecessary travel, dining, entertainment, or services such as spa packages.
* A government official or regulating official suggesting the use a particular vendor, equipment, or supplier.
* Payments disproportionate to the service performed
* Payment for service not performed
* Multiple contracts issued to the same vendor
* Abnormally low value purchase for the type of item
* Unusual or undocumented payment methods such as cash

Why corporate compliance –

* Create awareness and clarity of what is allowed and what is not.
* Detects, deters and prevents violations of laws and regulations by company practices and company employees.
* Offers a framework of ethical guidelines and expectations for standards of conduct
* Ensures that the company and its employees know how to comply with laws and regulations.
* Shows employees, governing organizations, the industry, and consumers that the company is committed to ethical business practices.
* Provides for audits of company policies, procedures, and practices.
* Builds company credibility and reputation.

Benefits of corporate compliance

* Better records and documentation
* Improved compliance
* Decreased risk
* Reinforces commitments stated in mission
* Improved financial performance
* Improved quality performance of products and services
* Early detection of problems

Corporate Compliance allows employees to answer:

* Am I allowed to do this?
* Are my actions legal?
* Is this in the best interest of the company?
* Can I justify my actions in court?
* Will my actions stand the test of time?

The moral implications include:

* How will I feel about myself after I do this?
* How would I judge someone else who did this?
* How would this appear if reported on the news?
* How would my friends or family view me if they found out about this?

Red Flag include thinking or saying:

* “If I shred the document(s) . . . ”
* “No one will get hurt if I just . . . “
* “You never heard me say that.”
* “No one will ever find out.”
* “Everyone does it.”

Aspects of a Compliance Program:

* Labor Laws
* Anti-discrimination
* Anti-trust
* Anti-corruption
* Federal, State, and Local laws
* Regulatory Organizations
* Licensing, Certification, and accreditation
* Conflicts of Interest
* Taxation and Deductions

7 required components of an approved compliance program:

1. Standards and Procedures
2. Oversight
3. Education and Training
4. Monitoring and Auditing
5. Reporting
6. Enforcement and Discipline
7. Response and Prevention

Components of an Effective Compliance Program:

* Provides definitions of ethics and compliance
* Establishes standards of practice
* Lists compliance obligations and how they are met
* Provides adequate resources to meet compliance
* Provides adequate training to employees
* Audits company policies, procedures, and practices
* Exercises risk assessments and continuous quality improvement
* Encourages reporting of violations
* Delineates how compliance is enforced and what measures are used to hold employees and the company accountable for compliance violations.
* Conducts annual/quarterly/monthly audits and assessments as warranted.
* Stay current of changes and additions to laws or regulations that affect the business.

Compliance Infrastructure can include:

* CEO
* Board of Directors
* Executive Administration
* Compliance Officer
* Company attorney or legal team
* Compliance Officer
* Supporting compliance staff (i.e. Risk Management, CQI, etc)
* Compliance Committee

For employees:

* Company policies are in place to ensure compliance. Not complying with company policies will result is company disciplinary action, but may result is criminal charges depending on the violation.
* Employees are expected to use good sound judgment when making decisions that affect the company

Conflict of Interests

A conflict of interest is any situation where there is a benefit to you at the expense of the company.

Employees are expected to avoid the actual or appearance of conflicts of interest.

The appearance of a conflict of interest occurs when actions or events gives the impression that there is a conflict of interest.

Examples:

1. Hiring an unqualified relative to provide services your company needs
2. Starting a company that provides services similar to your full-time employer
3. Failing to disclose that you’re related to a job candidate the company is considering hiring
4. Making arrangements to work for a vendor or client at a future date while continuing to do business with them
5. Posting to social media about your company’s weaknesses
6. Offering paid services on your time off to a company customer or supplier
7. Working part-time at a company that sells a competing product or service as your full-time employer
8. Accepting payment from another company for information about your employer
9. Failing to investigate a subordinate or coworker’s wrongdoing because they are a friend
10. Sharing confidential information about your employer with a competitor
11. Dating or having a romantic relationship with a supervisor or subordinate
12. Making a purchase or business choice to boost a business that you have a stake in
13. Accepting a favor or a gift from a client above the amount specified as acceptable by the company
14. Owning part of a business that sells goods or services to your employer
15. Reporting to a supervisor who is also a close friend or family member
16. Doing business or work for a competitor
17. Accepting consulting fees and providing advice to another company for personal gain
18. Sharing information in an interview about your employer’s activities or plans
19. Taking advantage of confidential information learned on the job for your own benefit
20. Cashing in on a business opportunity that your company might have pursued

For questions on compliance issues please contact:

Human Resources Administrator

Compliance Officer

Ethics Officer

Ethics Office/Department

Anonymous Company Hotline –

OSC Whistleblower Disclosure Hotline - 800-572-2249

OSHA Complaint Number - **800-321-6742 (OSHA)**

<https://www.osha.gov/whistleblower/WBComplaint.html>