

Course: International Corporate Compliance
Instructors: Ryan McConnell, Jay Martin, Charlotte Simon

CONTENT: Corporate compliance, one of the fastest growing markets for legal services, addresses the problems of organizations struggling to manage risk ranging from corruption to data privacy.

This class will teach you the process involved in addressing compliance risk. We will discuss a number of substantive compliance areas, but the goal of the class is to teach you how to develop a risk based approach to solve compliance problems. This risk based approach will involve evaluating the types of information (both internal to a corporation and external data) that you should use to evaluate and address compliance risk. There is not a great deal of reading with this class aside from the Nate Silver book - which you should read before the class begins.

In addition to the instructions, you will hear from a number of leading compliance lawyers in Houston.

REQUIRED TEXT:

Nate Silver, *The Signal and the Noise: Why So Many Predictions Fail - But Some Don't* (2012) (students must read this text before the class begins).
Course Packet from UH Copy Center.

GRADE: The grade in this class will be based on an exam given at the end of the semester (Saturday, January 12). The exam will consist of short answer/essay style questions. The questions will follow a compliance program that you must solve. You will write all of your answers on the exam - you will not be permitted to use a computer or notes.

ATTENDANCE: There are eight classes. You must attend each class.

PARTICIPATION: The class will be more fun if you participate in discussions and make a good faith effort to read all of the materials. If participation becomes a problem, the professors reserve the right to shame students into healthy class discussion. Participation constitutes up to 10% of your grade.

OFFICE HOURS: Email us and we will make time to meet with you:
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Class 1 (Wednesday, January 2): *Why do companies need corporate compliance programs?*

Instructor(s): Ryan McConnell, Jay Martin, and Charly Simon

- Background on corporate compliance programs, class and exam

- Why is compliance important?

Reading Assignment: Course Materials, Packet A

1. Plan Now or Pay Later: The Role of Compliance in Criminal Cases, HJIL article
2. Good Ethics Makes Good Business Sense, IPTC publication
3. The Risk Intelligent Chief Compliance Officer, Deloitte publication

Class 2 (Thursday, January 3): *Building Blocks for a Compliance Program*

Instructor(s): Ryan McConnell and Charly Simon

- Essential elements - review USSG, source material
- Building blocks
- Designing a program

Reading Assignment: Course Materials, Packet B

1. Building Blocks of Effective Compliance Programs
2. FCPA Compliance Program
3. What Does Effective FCPA Compliance Look Like?, Corporate Counsel
4. Facebook's Impact on Compliance Codes, Corporate Counsel
5. Enron's Code of Ethics
6. Best Practices in Code of Conduct Development, Corpedia

Class 3 (Friday, January 4): *Using Bayesian Reasoning in a Compliance Program*

Instructor(s): Ryan McConnell and Charly Simon; Guest Speaker, Omar Karame (Vice President Acquisitions and Operations Integration, Quanta Services) - will discuss business perspective

- Risk mapping
- Risk based approach
- Business and operations perspectives

Reading Assignment: Course Materials, Packet C

1. Playing Moneyball in the Compliance Department, Corpedia PowerPoint
2. How Nate Silver Can Help Us Use Technology to Implement the DOJ's New "Risk-Based" Approach
3. The Stages of an Analytic Enterprise, Nucleus Research
4. Review Nate Silver book

Class 4: (Monday, January 7): *Key Compliance Risks - Data Privacy, Trade Control Compliance, and Anticorruption*

Instructor(s): Jay Martin and Sue Kean (Chief Compliance Officer, McDermott)

- Key compliance risk areas - overview (high level)
- Substantive areas - data privacy, trade controls, and anticorruption (2 hours)
- Video - Black money (57 min - end class) (04/2009)

Reading Assignment: Course Materials, Packet D

1. International Trade Compliance, PowerPoint
2. Best Practices in Export Compliance Programs, GE PowerPoint
3. OECD Report on Cross-Border Enforcement of Privacy Laws
4. Fortifying Your Defenses: The role of internal audit in assuring data security and privacy, PwC
5. Layperson's Guide to the FCPA
6. Comparison between FCPA and UK Bribery Act
7. The DOJ and SEC Release Highly Anticipated Guidance on the FCPA, PowerPoint

Class 5: (Tuesday, January 8): *No Program is Perfect: How to Handle Government Investigations*

Instructor(s): Dianne Ralston (Schlumberger, Deputy General Counsel)

- Managing internal investigations
- Dealing with internal and external stakeholders
- Work plan
- Work product
- Issues in interviewing employees
- Final presentation - external and internal
- Practical problem

Reading Assignment: Course Materials, Packet E

1. FCPA Disclosures: Practical and Ethical Considerations for Voluntary FCPA Disclosures After Dodd-Frank, PowerPoint
2. Ethical Pitfalls in Conducting Corporate Internal Investigations, PowerPoint
3. In-House Counsel's Guide to Conducting Internal Investigations

Class 6: (Wednesday, January 9): *Government Expectations: How to Assess a Compliance Program*

Instructor(s): Dan Sullenbarger (Marathon Oil, retired)

- In house vs. outside assessment
- Scope
- Work plan

- Final product
- Presentation
- Pitfalls
- Practical problem

Reading Assignment: Course Materials, Packet F

1. Marathon Oil Code of Business Conduct
2. FCPA Expert Webinar Series: Assessing Compliance Risk Related to Anti-Corruption and Anti-Bribery Legislation, PowerPoint
3. DOJ/SEC FCPA Guidance, Chapter 5

Class 7: (Thursday, January 10): *Due Diligence/Audits/Best Practices*

Instructor(s): David Searle (Baker Hughes, investigations counsel and former federal prosecutor), Brady Long (guest speaker, Ensco - general counsel); Eric Morehead (Senior Compliance Counsel, Corpedia)

- Why conduct due diligence? How does due diligence differ from an assessment?
- Nuts and bolts of due diligence
- Practical problem

Reading Assignment: Course Materials, Packet G

1. Managing Compliance and Ethics within Joint Ventures
2. Managing Anti-Bribery and Corruption in Emerging Market JVs
3. Monitoring Bribery Risk through the Audit Right Process
4. DOJ Provides FCPA Guidance for Mergers and Acquisitions; Continues Industry-Wide Investigations and Focus on China
5. Deferred Prosecution Agreement, Pride International (focus on Appendix B, Statement of Facts, and Appendix C)

Class 8: (Friday, January 11): *Wrap Up*

Instructor(s): Ryan McConnell, Jay Martin, and Charly Simon

- Program design
- Program assessment
- Using data analysis
- Risk based approach
- Practical problem

- Review

Exam: (Saturday, January 12, 9-11 am)

Instructor: Charly Simon