

## **Corporate Compliance Roundtable**

**Sponsored and organized by the University of Illinois**

**College of Business Center for International Business and Research (CIBER)**

**College of Business Center for Professional Responsibility in Business and Society**

**College of Law Office of Graduate and International Legal Studies**

**Date: November 6, 2009**

**Location: College of Business Instructional Facility (BIF), Room 3041**

**Time: 10:00 am to 3:00 pm**

### **Combating Corruption: Corporate Compliance Programs and Global Anti-Corruption Law and Initiatives**

Siemens AG recently paid \$1.6 billion in fines, penalties, and disgorgement in profits, including \$800 million to U.S. authorities, to resolve charges that Siemens violated the U.S. Foreign Corrupt Practices Act (FCPA). The fine paid to the U.S. authorities is the largest fine under the FCPA paid to date.

Join industry experts for an overview of the FCPA and other global anti-corruption initiatives and ways in which U.S. based companies work to comply with this law.

All U.S. companies and subsidiaries, including foreign-owned enterprises and joint ventures, are bound by the FCPA. The FCPA, passed in 1977, prohibits bribery of foreign officials and deceptive record-keeping and requires a system of internal accounting controls. In addition, a corporation can be liable for acts of third parties under this law. Some employees of U.S. based companies, eager to access foreign market returns, might turn a blind eye toward improper payments made by others under the misguided assumption that such payments will not violate U.S. law.

Individuals and/or companies found to be in violation of the FCPA can face substantial criminal and/or civil penalties, even when the amounts of improper payments are insignificant. Engaging in any violation of the FCPA, no matter how small or large, can subject both individuals and companies to personal and corporate financial risk.

U.S. companies and their subsidiaries outside the U.S. must pay particular attention to the following factors that present special risks:

- The U.S. Government is increasingly focused on enforcing the FCPA; international law enforcement of similar laws is increasing as well.
- In certain industry sectors, kickbacks are an accepted means of conducting business.
- Many companies believe that "everyone is doing it," that commercial pressures outweigh the risk of getting caught, and that they must engage in improper behavior to remain competitive.
- Many non-U.S. markets have historically used entertainment, gift-giving, corporate nepotism and personal connections to obtain business.
- Foreign accounting practices are often not transparent enough to satisfy FCPA requirements because of the prevalence of tax avoidance, off-the-record accounts and transactions, and lack of official receipts, due diligence or written agreements.
- Disgruntled employees, competitors, or unhappy agents and distributors can turn into whistleblowers.
- The size of many markets and the nature of business relations may lead companies to retain third-party agents to penetrate new markets.

With record-setting sanctions involving well-known companies, companies must work to prevent lapses that might lead to damaging and costly enforcement actions. This includes ensuring that controls are in place and that all accounting records are legitimate. Employees cannot make questionable payments or transactions. Companies must ensure that they are performing due diligence and exercising careful scrutiny of any cross-border transactions. In this way, companies will protect themselves and reduce the risks associated with violations.

## Program

10:00 to 10:15 am

Welcome and Introduction

Chair: Charlotte Ku, Assistant Dean, Graduate and International Legal Studies, College of Law

Gregory Northcraft, Interim Associate Dean of Faculty, Harry Gray Professor, College of Business; Professor, School of Labor & Employment Relations  
Christine Hurt, Professor, Co-Director, Program in Business Law and Policy, College of Law  
Sarah Di Lorenzo, McDonald's Corporation

10:15 am to noon

The Legal and Policy Framework of the U.S. Foreign Corrupt Practices Act

Chair: Christine Hurt, Professor, Co-Director, Program in Business Law and Policy, College of Law and Member, Faculty Advisory Committee, Center for Professional Responsibility in Business and Society

Speakers:

Carolyn Lindsey, TRACE International  
Paul E. McGreal, Associate Dean for Academic Affairs, Professor of Law, Southern Illinois University School of Law

Noon to 1 pm Lunch break

Providing an opportunity for participant, faculty and advanced graduate student exchange.

1:00 to 2:30 pm

Corporate Compliance Programs and Anti-Corruption Compliance

Chair: Glenn Hoetker, Center for International Business Education and Research, College of Business

Speakers:

Alfredo Avila, Monsanto  
Sarah DiLorenzo, McDonald's Corporation  
Carrie di Santo, AON Corporation

2:30 pm to 3:00 pm

How to Apply Corporate Compliance Lessons

Gretchen Winter, Center for Professional Responsibility in Business and Society, College of Business

*The Corporate Compliance Roundtable is a collaboration of the College of Business's Center for International Business Education and Research (CIBER), the College of Business's Center for Professional Responsibility in Business and Society and the College of Law's Office of Graduate and International Legal Studies.*