

3 Basic Ways to Improve Compliance & Ethics

1. Make it easy to follow the rules:

- Create clear, defined rules
- Teach and discuss the rules - in training sessions but in all business meetings
- Use real-world examples when teaching and discussing the rules
- Set up a schedule to review, clarify and improve rules regularly
- Set up a process to be alerted to changes in the law that require rules to be updated

2. Provide employees competent, courageous professionals to help them follow the rules, professionals who:

- Know the rules (the law)
- Can speak and write about the rules in plain English (not legal mumbo jumbo)
- Creatively apply the rules instead of delivering an easy “no”
- Listen to what is being said, how it is being said, and what is not being said
- Give discrete, actionable guidelines, rather than lecturing or judging
- Are not too busy to answer questions
- Have the courage to fight for employees trying to follow the rules
- Are rebellious and courageous enough to challenge leaders who do not think the rules apply to them
- Will take action to address the issue



3. Act - don't react - have methods to catch those who don't follow the rules:

- Have lawyers attend meetings so they can hear what is going on
- Have lawyers who question what is going on
- Have controllers, auditors and CFO's who do the same thing
- Have HR professionals who do the same thing
- Audit policies and procedures for compliance – expense policies, gift policies, hiring and promotion policies, etc.
- Review and audit expense reports and invoices
- Have more than one person sign off on expenses, invoices, entertainment, hiring, etc.
- Review emails randomly for select words - if you think employees don't email about unethical behavior and criminal acts... you are wrong. - they do.)

Have policies, procedures and an action plan to prevent corrupt business behavior.

And...when the writ does hit the fan (despite your best efforts):

- Follow an investigative-crisis plan (that you should have developed before there is trouble)
- Investigate to find out why things went wrong
- Fix what went wrong
- Remove and replace leaders who were involved or who should have known what was going on but didn't know
- Disclose to the government if necessary



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