

[Subscribe](#)[Share ▼](#)[Past Issues](#)[Translate](#)

CS Newsflash is our weekly roundup and commentary on selected news stories relevant to governance, risk, compliance and ethics thought leaders.

# Compliance Strategists



## CS Newsflash

*"the weekly review for governance, risk, compliance and ethics thought leaders"*

### Inside this edition

- [You Can't Make This Stuff Up \(3\)](#)
- [Dear Tiger: Does Winning Really Take Care of Everything?](#)
- [New NLRB Confidentiality Language for Your Code](#)
- [WalMart Links Exec Pay to Compliance](#)

## Compliance Strategists Newsflash

**April 23, 2013**

Our weekly roundup of selected developments from around the world with a lens on corporate governance, risk, compliance and ethics follows. CS Newsflash provides links to news stories in the public domain and brief CS commentary. Your views and suggested news stories are welcome by reply to

[CSNewsflash@ComplianceStrategists.com](mailto:CSNewsflash@ComplianceStrategists.com).

From time to time we feature items from our **"From the CS Email Bag," "You Can't Make this Stuff Up"** and **"Good News Stories"** departments. Readers are welcome to quote opinions contained in this newsletter with attribution to CS Newsflash

### Quotes of the Week

*"We feel it makes most sense to place compliance and oversight and control under the same umbrella... and we believe it is also consistent with regulatory expectations."*

**JP Morgan Chase** spokesman **Mark Kornblau**, on the split of compliance from legal – story inside.

*"The spirit of the sentencing guidelines is to have an autonomous compliance function with as little conflict within the organization as possible."*

**Tod Reichert**, general counsel and chief compliance officer at MCG

at [www.compliancestrategists.com](http://www.compliancestrategists.com). You can also follow us on Twitter for as-it-happens updates [@DonnaCBoehme](#) and [@SnarkyEthics](#). Links below to some of the stories we are following this week:

***This Week's Highlighted Story:***  
**SEC Press Release in Ralph Lauren DPA Cites Cooperation & Significance of "Effective Compliance Programs"**  
**SEC.org, April 22, 2013**

<http://www.sec.gov/news/press/2013/2013-65.htm>  
 In announcing the Ralph Lauren DPA this week settling illegal payments by its Argentinian subsidiary, the SEC cited the company's cooperation and also its compliance efforts, confirming the value of "effective compliance programs" and "self-policing." The company discovered the bribes to custom officials after a new FCPA compliance program and audit in the region surfaced the issues.

***CS View: Boardworthy. SEC gets props for calling out compliance programs - providing CCOs with a further tool to support the elevated, well-resourced compliance program. This is the kind of support that compliance professionals have been requesting from government.***

**After Insider Trading Scandal, KPMG and PWC "Reassess" Compliance Programs**  
**Wall Street Journal, April 18, 2013**

<http://on.wsj.com/1liisEn>  
 The KPMG insider trading scandal -which follows Deloitte trading scandals of 2012 & 2011, has caused both KPMG and PWC to review their internal controls and programs.

**Capital Corporation** - story inside.

## Upcoming Events

**May 2, 2013**

**Washington D.C.**

RAND 2013 Compliance and Ethics Symposium  
 "Culture, Compliance & the C-Suite" (by invitation)  
 Keynote Remarks: Judge Ruben Castillo  
 (Boehme Co-Chair)

**June 2013**

**NYC**

NYU Stern School of Business  
 "The ROI of Integrity in Business"  
 (Boehme & guest lecturers)

**October 6-9, 2013**

**Washington D.C.**

SCCE 12th Annual Compliance & Ethics Institute

October 6 "Compliance and Ethics for Lawyers & In-House Counsel"  
 (Half-day Preconference- Murphy & Boehme)

October 8 "Built for Success: 5 Essential Features of the Effective CCO"  
 (Concurrent: Gnazzo, Bertha, Nocito, Boehme (moderator))

***CS View: a robust program that is well-implemented i.e. "works" is the key to whether any company can claim a "rogue employee" defense. One criteria: a senior-level, empowered, experienced CCO with seat at the table, line of sight, direct access to the governing body & resources to do the job.***

## **Dear Tiger: Does Winning Really Take Care of Everything?**

**Compliance Insights, April 14, 2013**

[bit.ly/117yoaL](http://bit.ly/117yoaL)

Boehme column on the new Tiger Woods Nike ad.

***CS View: the sports hero has Nikes of clay, but gets a "do-over." Meanwhile..... see this [http://www.golf.com/tour-and-news/tiger-woods-should-withdraw-2013-masters?xid=ob\\_news](http://www.golf.com/tour-and-news/tiger-woods-should-withdraw-2013-masters?xid=ob_news) - that didn't take long.***

## **New Norm in the C-Suite?**

**Wall Street Journal, April 15, 2013**

[on.wsj.com/139CMHY](http://on.wsj.com/139CMHY)

A WSJ editor says that the era of the "Imperial CEO" is over and that the chief executive role is being "cut down to size."

***CS View: worth watching: whether Jamie Dimon relinquishes the chairmanship of that firm. interesting when viewed in context of recent study showing those CEOs with closer affiliation to other execs in the C-Suite more likely to engage in misconduct.***

## **Chase Moves Compliance Out of GC's Office**

**Corporate Counsel, April 17, 2013**

[bit.ly/ZDlaiP](http://bit.ly/ZDlaiP)

Author further examines JP Morgan's split of

Compliance from Legal with quotes from the company spokesperson and other commentary. See "[Quotes of the Week](#)."

***CS View: the momentum continues as more big banks empower and elevate their CCOs and compliance programs, and add resources. Boardworthy quotes from JP Morgan spokesman that the split of Legal and Compliance is "consistent with regulatory expectations." See also Deutsche Bank announcement of its new Deputy Global Head of Compliance, reporting to a supervisory board member. [bloom.bg/11crdzP](http://bloom.bg/11crdzP)***

## **WalMart Increases Board Pay for FCPA Oversight; Links Exec Pay to Compliance**

**Wall Street Journal, April 22, 2013**

[on.wsj.com/11wHDTU](http://on.wsj.com/11wHDTU)

Compliance action at WalMart, including linkage of exec pay to meeting compliance program goals.

***CS View: linking pay to compliance is always the last frontier. When companies do this, they should be praised, and praised again. (Even if they don't have an #IndependentCCO yet.) What gets measured is what gets done.***

## **Standard & Poors Says Ratings Were Only "Puffery" - Really?**

**Wall Street Journal, April 2013**

[on.wsj.com/ZEuIsB](http://on.wsj.com/ZEuIsB)

As US and EU consider stricter regulation of ratings agencies, S&P's legal defense seems to be that its statements about its "independence" and "objectivity" were only "puffery".

***CS View: maybe a good legal defense, but***

***the PR people are probably crying into their Merlot. #TheDogAteMyHomework***

## **Wall Street Bonuses Down 40% From 2006 (9% this year)**

**Wall Street Journal, April 23, 2013**

[on.wsj.com/11xsD8f](http://on.wsj.com/11xsD8f)

Seven large Wall Street financial services firms are reining in bonuses as regulators work to persuade banks to reduce compensation.

***CS View: at the same time the EU plan to cap bonuses continues. And how about a link to ethical leadership metrics?***

## ***Recommended Resources***

### **8 Culture Initiatives CCOs Can Lead**

[bit.ly/10tyyhR](http://bit.ly/10tyyhR)

***Editor's Note: Boardworthy piece by Deloitte- 8 more reasons CCOs need empowerment, independence, seat at the table, line of sight and resources to do their job well.***

### **NLRB Has Recommended Confidentiality Provisions (amend your Code)**

<http://bit.ly/XRcUQL>

### ***You Can't Make This Stuff Up*** **NYC's "Business Integrity Commission" Struggles with Integrity**

A NYC watchdog commission has given a "no bid" contract to a consulting company whose CEO has a record of fraud. Wow.

<http://nyti.ms/11AaTYt>

### **CT Priest Arrested for Being Part of Organized Meth Ring**

[nyti.ms/14FMeqj](http://nyti.ms/14FMeqj)

### **Shooting at Giant Colorado Pot Party**

[cbsn.ws/ZGnTc8](http://cbsn.ws/ZGnTc8)

Snarky is shocked, shocked. Here is his shocked face :-0

## **Compliance Strategists**

**Newsflash** is published weekly by:  
Compliance Strategists LLC Donna  
Boehme, Principal tel: +1.908.251.1427 e-  
mail:  
CSNewsflash@ComplianceStrategists.com  
1253 Springfield Avenue Suite 319 New  
Providence, NJ 07974 USA Please send  
any comments or questions, or to  
unsubscribe, to  
CSnewsflash@ComplianceStrategists.com  
Follow us on Twitter @DonnaCBoehme Visit  
our website  
[www.compliancestrategists.com](http://www.compliancestrategists.com)

---

[follow on Twitter](#) | [friend on Facebook](#) | [forward to a friend](#)

*Copyright © 2013 Compliance Strategists, All rights reserved.*



[unsubscribe from this list](#) | [update subscription preferences](#)