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THE GROWING IMPORTANCE OF FULLY INTEGRATED COMPLIANCE PROGRAMS

Under the threat of more robust enforcement, corporations are investing new resources in compliance programs. The authors describe fully integrated programs that are designed to maximize efficiency through increased internal communication, standardization, and integration across departments. They close with a discussion of "data analytics" to meet regulators' expectations for data and to generate better indicators of program effectiveness.

By William D. Semins and Jared Kephart *

COMPLIANCE PROGRAM DEVELOPMENT IN CONTEXT

Three decades ago, the "compliance function" as we know it was virtually non-existent. Even 10 years ago, most companies outside of heavily regulated industries lacked a chief compliance officer with meaningful independence and autonomy from management. Many multi-national companies lacked an integrated anti-corruption compliance program. After more than 15 years of robust enforcement of the Foreign Corrupt Practices Act ("FCPA") in the United States and increased guidance from the Department of Justice and the Securities & Exchange Commission, much has changed in the compliance landscape. Within the purview of anti-corruption compliance, cross-border enforcement has increased with the increased cooperation among national law-enforcement bodies. Regulators and prosecutors have been more active than ever, imposing record fines and long prison sentences for fraud and corruption (some exceeding the average sentence for second-degree murder). Recent evidence demonstrates more coordinated multi-jurisdictional and multi-disciplinary enforcement (i.e., increased cooperation among enforcement authorities in specialized areas).[1]

Where enforcement has increased, so have corporate compliance efforts, including in particular targeted investments in additional resources, such as trained personnel and technology.[2] In 2018, a Thomson Reuters survey indicated that corporations are spending more on compliance than at any point in history and that compliance personnel generally expect such spending to

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[1] *See, e.g., United States v. Société Générale S.A.*, Cr. No. 18-CR-253 (DLI) Deferred Prosecution Agreement (June 5, 2018), *available at* https://www.justice.gov/criminal-fraud/file/1072451/download (involving coordinated efforts by DOJ, SEC, CFTC, IRS, OFAC, and the New York State Department of Financial Services).

[2] *See, e.g.*, Ken Tysiac, "Companies spending more time on SOX compliance," Journal of Accountancy (June 12, 2017), *available at* https://www.journalofaccountancy.com/news/2017/jun/companies-spending-more-time-on-sox-compliance-201716857.html.