

# What's In Your Toolkit?



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How long do we have to get in  
Compliance?



# Disclaimer

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# Overview

- Know Your Employee
- Conflicts of Interest
- Privacy
- Human Rights
- Bribery & Corruption
- HR Compliance Manual

# Know Your Employee

## Upon employment offer / hiring:

- Collect required information
  - Same as for customers!
- Verify identity
- Validate qualifications
- Certain levels and positions should come with a higher threshold of scrutiny (eg. CEO, CFO)
- Decide extent of background checks to conduct
  - Police certificate of character
  - World Check or similar screening product
  - Full scale background checks



BUT is *NOT* an excuse for lack of proper paperwork

- **BUT**...Employee comes highly recommended
- **BUT**...Employee has a professional designation
- **BUT**...Employee has been working for 20+ years
- **BUT**...She/he comes from a good family

# Know Your Employee

What can go wrong?

Example:

- Several reports of financial transaction fraud received which involved theft from hotel guests
- Who were the guilty parties?
- Hotel room attendants using stolen credit cards or cheques
- In peak seasons, hotels ramp up their hiring and few if any background checks are conducted

*Same can easily apply in our industry*

# Know Your Employee

## What about your Board?



- Joao Pedro Reinhard: an independent director since 2000 at RBC was asked to resign
- Reinhard, 70, who lives in Fla., charged with importing cocaine
- RBC wished to mitigate reputational damage



# Know Your Employee

Perform ongoing due diligence

- Why?
- Things change! Not once & done!
- Conduct ongoing screening
- Refresh information on file (employees move and get married / divorced)
- Employee may have a new charge or “negative news”
- Family member may become a PEP – making them a PEP by association

# Know Your Employee

When conducting background checks and verifying information, what happens if you find:

- Charge for DUI
- Poor payment history on a credit bureau
- Employment Termination
- Bankruptcy
- Major gaps in the resume / work history

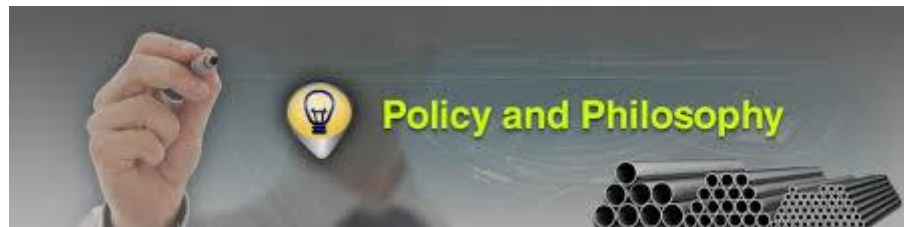


**“If you think  
compliance is  
expensive –  
try non-compliance.”**

*Former U.S. Deputy Attorney General Paul McNulty*

# Conflicts of Interest

- Philosophy and values have to be decided and agreed to upfront by the Board and senior management
- Be prepared for unique situations which may pop up from time-to-time



# Conflicts of Interest

**Question:** Is it a conflict if...

Family members work within the same company?

# Conflicts of Interest

**Question:** Is it a conflict if...

A manager dates an employee?

# Conflicts of Interest

**Question:** Is it a conflict if...

An employee provides paid consulting services on the weekend to a supplier?

# Conflicts of Interest

**Question:** Is it a conflict if...

An employee accepts free gifts and free products from a company and then recommends the purchase of their products?



# Conflicts of Interest

**Question:** Is it a conflict if...

A manager hires their brother-in-law to provide vending services to the company?

# Conflicts of Interest

**Question:** Is it a conflict if...

An employee accepts a fee for commissioned research papers or for presentations at a seminar?

# Conflicts of Interest

**Question:** Is it a conflict if...

An employee posts comments about the company on social media (Facebook, LinkedIn, Twitter)?

# Conflicts of Interest

**The answer:**

It depends!

# Conflicts of Interest

**The answer:**

**It depends!**

*What's in your policy, code or manual?*

# Conflicts of Interest

- Distinct Policy or embedded in a Code of Conduct
- Employees need guidance & boundaries
  - Ensures fair & consistent application
- Key areas to address:
  - Acceptance of gifts
  - Secondary employment or business ventures
  - Serving on external committees and boards
  - Public acts and statements (perceived representations of the company)
- Board should have a separate Policy as they have unique challenges

# Privacy

- What are the privacy obligations in your jurisdiction?
- National legislation (eg. A Privacy Act or Personal Information Protection Act)
- Fall under other charters or limited to data protection legislation
- Heads up if you are owned by a foreign entity
  - Verify if the parent co. has privacy obligations which must apply to all subsidiaries



# Privacy

- Privacy practices or statements should typically cover:
  - Collection & purpose
  - Use
  - Sharing / disclosure
  - Storage
  - Third parties
- Express consent may be required
- Opt-out provisions and practices may be necessary, such as “do not contact” or “unsubscribe”





"IF YOU DON'T HAVE THE TIME TO DO IT RIGHT,  
WHEN WILL YOU HAVE THE TIME TO DO IT OVER?"

- JOHN WOODEN

**CONANT LEADERSHIP**

# Human Rights

- Does legislation exist in your jurisdiction(s) where you operate?
  - Eg. Canadian Human Rights Act, passed in 1977
- Goal to ensure equal opportunity to individuals who may be victims of discriminatory practices based on a set of prohibited grounds



# Human Rights

## Common Protected Grounds

- |   |   |
|---|---|
| <ul style="list-style-type: none"><li>• Race</li></ul>  | <ul style="list-style-type: none"><li>• National or Ethnic Origin</li></ul> |
| <ul style="list-style-type: none"><li>• Colour</li></ul>  | <ul style="list-style-type: none"><li>• Religion</li></ul>                  |
| <ul style="list-style-type: none"><li>• Age</li></ul>   | <ul style="list-style-type: none"><li>• Sex</li></ul>                       |
| <ul style="list-style-type: none"><li>• Sexual Orientation</li></ul>  | <ul style="list-style-type: none"><li>• Family Status</li></ul>             |
| <ul style="list-style-type: none"><li>• Marital Status</li></ul>  | <ul style="list-style-type: none"><li>• Disability</li></ul>                |
| <ul style="list-style-type: none"><li>• Conviction for an offence for which a pardon has been granted</li></ul> |   |

## Examples of potentially discriminatory acts

- Asking a female job candidate if they have children or intend to start a family
- Not renting accommodations to someone based on a protected ground
- Asking for marital status on a credit card application
- Making degrading remarks and jokes in the workplace
- Displaying or circulating offensive pictures

# Human Rights

Besides specific protected grounds, there may be other violations:

- Employing or forcing child labour
- Unsuitable working conditions
- Human trafficking
- Poor prison conditions
- Ethnic cleansing

**ALL HUMAN BEINGS  
ARE BORN  
FREE AND EQUAL**

# Bribery & Corruption

- Many jurisdictions have of bribery & corruption legislation
- If you are dealing with the U.S., be aware of their Foreign Corrupt Practices Act (“FCPA”)
- Contains 2 major components:
  - Accounting transparency under Securities Exchange Act
  - Bribery of foreign officials
- Purpose is to make it illegal for companies and their supervisors to influence anyone with any personal payments or rewards

# Bribery & Corruption

- What if your company has to transport oil across terrain in Africa or Middle East and you cannot pass without paying an unofficial fee to cross?
- Are incentives to secure mining rights acceptable?
- 3<sup>rd</sup> party sales promoters in other territories
  - Do you have full knowledge or control over how they are “promoting” your sales?
- How far can you go in terms of gifts, dinners, travel arrangements, golf games, etc. to not be considered a bribe?

# Bribery & Corruption

- Transparency International
  - Corruption Perception Index (CPI)
  - 0 means it is perceived as highly corrupt
  - 100 means it is perceived as very clean
- Publish an annual report
- 2015 was based on 168 countries
- Visit this link for a full report:  
<http://www.transparency.org/cpi2015>



# Bribery & Corruption

Country	2015 CPI Score
Denmark	91
Canada	83
Costa Rica	55
Cuba	47
Jamaica	41
Trinidad & Tobago	39
Dominican Republic	33
Guyana	29
Haiti	17
Venezuela	17

High is good; low is not so good

# Bribery & Corruption

- Do you have a dedicated policy or an Ethics Policy to address difficult cases?
- Have seen companies establish a threshold and cannot do business with countries that have a CPI under a certain level (eg. 20 or 21)
- UK Bribery Act that can be used as a sample
- Not all Caribbean jurisdictions have legislation enacted to date

Point to ponder

-- Will it inevitably become table stakes?

Compliance a marathon not a sprint but...



# HR Manual

- Guide to both employees & management
- Include essential elements of regulatory obligations
- Beyond employment laws & standards
- Pull in other regulatory obligations
  - At least highlight and recognize the existence and accountability
  - Refer to other policies & procedures where appropriate
    - Don't repeat

Keep It Simple:

*Say what you do*

&

*Do what you say”*

# HR Manual

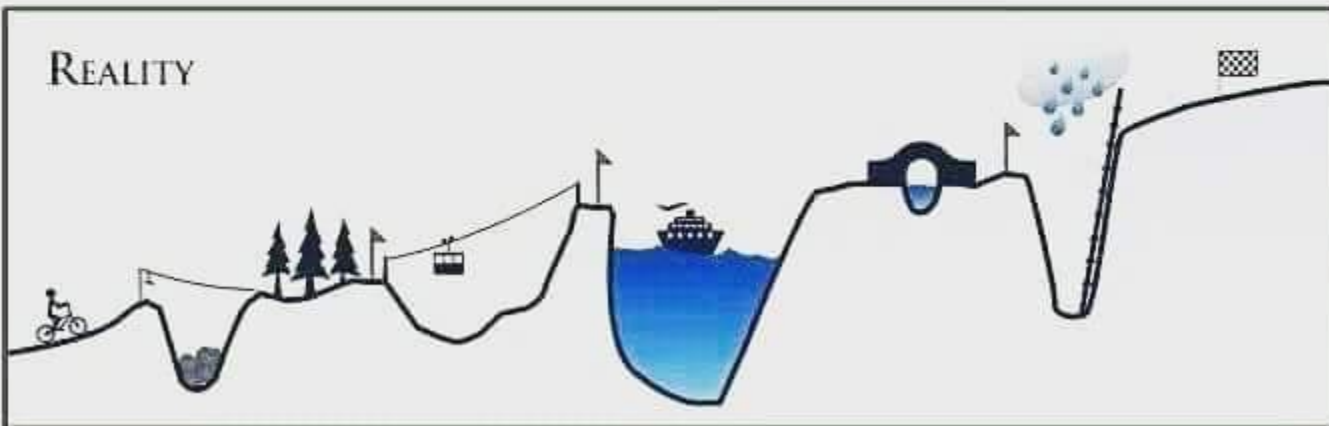
- User-friendly
- Easy to manage reference guide
  - Don't create an encyclopedia
  - Reference relevant regulations and guidelines
    - Web links
    - Location in common folders or drop boxes
  - Don't copy them all into the manual itself and make it overwhelming!



YOUR PLAN



REALITY



# Questions







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