Supporting Ethics & Compliance Training Programs by Leveraging Technology

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The Mission

To inspire ethical conduct and educate employees to enable them to better identify, quantify, manage and report matters presenting a potential for non-compliance with the law, the company’s code of conduct and general principles of ethical conduct.
Why compliance matters...

- A strong corporate culture can protect and enhance the company’s brand.
- Seventy-nine percent of American consumers consider corporate citizenship when making purchase decisions.¹
- Only 45% of American adults believe that public companies are governed ethically.²
- Increasing stakeholder interest in Corporate Social Responsibility.

Sources:
2) Consumer Federation of America Survey

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Why compliance matters...

A Strong Compliance and Ethics Program:

- Satisfies Legal Requirements for a Publicly Traded Company.
- Protects the Company from Legal, Financial, and Reputational harm.
- Protects the Value of the Corporate Brand and Consumer Goodwill.
- Increases Employee Morale and Productivity.
- Creates the Foundation for Long-term Corporate Sustainability.
Knowledge is power!

- When it comes to corporate compliance, ignorance is not bliss!!

- Employee training is the key to the success of the mission!

Training Is Key To An Effective Compliance Program

U.S. Sentencing Guidelines provide guidance regarding elements of an effective compliance program and require companies “to communicate periodically and in a practical manner [their] standards and procedures, and other aspects of the compliance and ethics program, to [its employees and leadership] by conducting effective training programs and otherwise disseminating information appropriate to such individual’s respective roles and responsibilities.”

Overview: Methods to Enhance the Training Program

- Leveraging Learning Management Systems
- Map This
- Channels for Delivering Awareness
- Ethics and Compliance Learning Portal
- Embedding Controls Within Your Training

Tracking Training

- Most organizations have some system by which they track and record compliance data. Because if you can’t demonstrate compliance, it didn’t happen!
- Typical Uses
  - Training Delivery
  - Individual Training Progress
Training & Awareness

**Training and Communication at all levels:**

- Mandatory, annual training for all employees, including executive officers, on Code of Conduct and corporate policies.
- Board of director training on oversight responsibilities.
- Mandatory targeted job-related training (e.g., Insider Trading, Regulatory, SOX, Government Contracts, FCPA, etc.).
- Communications regarding policy revisions and other compliance initiatives on a routine basis and as needed.
- Other awareness efforts (posters, wallet cards, emails, articles, etc.)

Leveraging Learning Management Systems (cont’d)

- Taking it to the next level
  - Ethics and Compliance Learning Portal
    - Encompasses
      - Customized Curriculum
      - Source for Advice
      - Reporting Allegations
      - Awareness
      - Acknowledgments
      - Organizational Completion Scorecard

**Qwest Ethics and Compliance**

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**Know The Code**

**What Is Insider Trading?**

"Insider trading" is the purchase or sale of securities while in possession of "material nonpublic information." Material nonpublic information, or insider information, is information that is not public and that may affect the price of Qwest stock.

Some examples of insider information include: financial forecasts or results; product information, marketing plans, proposed acquisitions or divestitures; and strategic plans or information about significant changes or developments.
Automated Curriculum Mapping- Map This!

• USSG Commentary – a further reason to map training with precision
  – 2. Factors to Consider in Meeting Requirements of this Guideline.—
    (A) In General.—Each of the requirements set forth in this guideline shall be met by an organization; however, in determining what specific actions are necessary to meet those requirements, factors that shall be considered include: (i) applicable industry practice or the standards called for by any applicable governmental regulation; (ii) the size of the organization; and (iii) similar misconduct.

• Successful mapping requires an understanding of the employee base
• Some factors to consider:
  – Employee Type (management, union, part-time, etc.)
  – Geography
  – Job Codes/Titles
  – Compensation Plans (salaried, hourly, sales)
  – Organizational Hierarchy (executive, supervisor, individual contributor, etc.)

Automated Curriculum Mapping- Map This

• Mapping Examples
  – Code of Conduct (Everyone)
    • Domestic
    • International (May have multiple versions)
  – California Sexual Harassment Prevention (Supervisors of employees in the state of California)
  – HIPAA (HR and supervising managers)
  – SOX
    • Overview for Directors and above
    • Detailed version for accountants and business process owners
  – Insider Trading (Management Employees)
  – FCPA (International exposure and VP and above)
  – Ethical Sales Practices (Sales Compensation Plan)
Automated Curriculum Mapping- Map This

- Code of Conduct
- Industry specific regulatory training
- Specialized Training
  - Antitrust
  - Business Ethics
  - Government Contracts
  - Insider Trading
  - Foreign Corrupt Practices Act
Channels for Delivering Awareness

Get the message out!

- **Mini-Modules**
  - Monthly awareness on Code of Conduct topics

- **You Be The Judge**
  - Scenarios based on real-world events to apply ethical decision-making skills
  - Other

- **Messaging**
  - Brown Bag Sessions
  - Staff Meetings
  - News Letters

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Learning Portal - Make it easy for the consumer!

**One-stop-shop:**

- Training Curriculum
- Acknowledgments
- Awareness
- Resources
  - Code of Conduct
  - Corporate Policies
  - Training Reports
Learning Portal - Make it easy for the consumer!

One-stop-shop:
- Advice/Reporting
  - Importance of reporting
  - How To’s
  - Reporting mechanism

Documenting Training

- Prescriptive Learning Model
  - Comprehension-centric approach
  - Focuses on knowledge gaps
  - Course completion based on 100% vs Post-test scoring threshold (below 100% allows for potential knowledge gap)
  - Question-level response tracking

- Tie acknowledgments to training completion
  - Code of Conduct
  - Conflicts of Interest Disclosure
  - SOX
  - Industry-specific

- Helpline reporting mechanism within training
  - Just-in-time reporting within courseware
Questions