The Seven Habits of an Effective Compliance & Ethics Professional

HCCA Minneapolis Regional Compliance Conference
Minneapolis, MN

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September 14, 2018

The Challenge

- It's a complicated world
- Skewed Incentives
- Boards & Management don't know what to do
- "We have good people"
- Effectiveness requires courage and hard work

1. Study Human Behavior

Ethics
- Perception: __________________________
- Reality
  ➢ Cheating
  ➢ Resumes
  ➢ Stealing
  ➢ Reporting
- Culture: the impact of authority and systems
2. Life-long Learning
- Study/work hard
- Observe successful people
- Read the newspaper
- View every challenge/mistake as a learning opportunity
- Solicit constructive feedback

3. Position Yourself for Success
- Who/What am I?
- Why am I here?
- The authority dilemma
- Leverage
- Don’t take yourself too seriously
- Share credit/hoard criticism

4. Problem Solve
- Solutions or obstacles?
- Understand the problem
- Keep it simple
- Hire people ____________ and ________________!
5. Align Incentives

Problem: Incentives are skewed

Solution:
• Specific, measurable objectives
• Link to compensation
• Transparency
• Culture matters

Beware of the non-solution: ________________

6. Be Courageous

• Practice difficult/courageous conversations
• Listen carefully
• Think before you speak (send)
• Attack the problem, not the person

7. Be a Role Model

• Talk and walk the talk
• Accept responsibility
• Stay calm (particularly in a crisis)
• Admit mistakes – the two most disarming words in the English language are "______________"
Resources

Why It’s Hard to Be Good, Al Gini, Rutledge 2006
The Lucifer Effect: Understanding How Good People Turn Evil, Philip Zimbardo, Random House 2008
The Seven Signs of Ethical Collapse: How to Spot Moral Malpractice in Companies Before It’s Too Late, Marianne M. Jennings, J.D., D. Martin’s Press 2006
How to Pad Your Expense Report...And Get Away with It, Employee X, Easy Money Press 2005
2013 Federal Sentencing Guidelines, Organizations, Chapter 8 – Part B, Remedying Harm from Criminal Conduct, and Effective Compliance And Ethics Programs.
Building a Career in Compliance and Ethics, Joseph E. Murphy, Joshua H. Leet, Society of Corporate Compliance and Ethics, 2007.

Questions