DRIVING COMPLIANCE AND ETHICS THROUGH THE USE OF DATA ANALYSIS

ACAMS
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PRESENTER AND CONTACT INFORMATION

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THE COMPLETE COMPLIANCE HANDBOOK

AVAILABLE APRIL 2018 FROM COMPLIANCE WEEK
The views stated here are solely those of the presenter. Everything in this presentation is a generalization and is subject to numerous exceptions.
WHAT IS YOUR STORY?
What is the story in your data?

Patterns in raked leaves?

What data do you have at your disposal?

Are you accessing your own data?
MASSIVE FRAUD BY CHINA BUSINESS UNIT: FAKE EVENTS, FAKE INVOICES- STANDARD MODALITIES OF DETECTION WILL NOT WORK

AI BRINGS TWO ADDITIONAL INDICES:
1. GEOGRAPHIC
2. TIME DIMENSIONS
The Sales Cycle
Life-Cycle of a Business Transaction

1. PRE-SALE-RFP/ BID/ SALES INITIATIVE
2. PRE-BID-GIFTS/ ENTERTAINMENT/ TRAVEL
3. SALES PRICING - DISCOUNT RANGE
4. REBATES PAID TO CUSTOMER
1. WHAT IS THE AGGREGATE SPENDING ON ANY ONE GOV OFFICIAL OVER A 12-MONTH PERIOD BY ONE BD REPRESENTATIVE?
2. WHAT IS THE BD SPEND ON ONE GOV OFFICIAL BY SEVERAL COMPANY BD REPRESENTATIVES?
3. HAS THERE BEEN ANY TRAVEL INVOLVED TO TOUR COMPANY FACILITIES?
4. WHAT WAS THE AGGREGATE SPEND AND WAS IT CORRELATED WITH OTHER GTE SPENDS?
1. ANY DISCOUNTS OFFERED OUTSIDE THE STANDARD DISCOUNT RANGE?
2. WERE THESE DISCOUNTS PROPERLY VETTED THROUGH THE INTERNAL COMPANY PROCESS?
3. WAS THIS PROCESS DOCUMENTED AND WAS THERE SENIOR MANAGEMENT SIGN-OFF IN PLACE?
4. WAS THE CONTRACT PROPERLY VETTED BY ALL REQUIRED INTERNAL PROCESSES: BY MANAGEMENT, LEGAL, AND COMPLIANCE?
Third Parties

1. Did the customer suggest the use of any third parties as suppliers to the prime contract?
2. What was the 3rd party commission or compensation?
Charitable Donations

1. WERE THERE ANY CHARITABLE DONATIONS REQUESTED BY THE CUSTOMER?
2. WERE THERE ANY CHARITABLE DONATIONS MADE DURING ANY PART OF THIS PROCESS OR WITHIN 12 MONTHS AFTER A SUCCESSFUL CONTRACT NEGOTIATION?
1. DID IT SPECIFY ANY TRAVEL FOR THE CUSTOMER?
2. HOW ABOUT ONGOING TRAINING AND IF SO WHERE AND FOR HOW LONG?
3. WAS THERE A SPECIFICATION OF BUSINESS CLASS OR ABOVE TRAVEL ACCOMMODATIONS?
4. WAS THERE ANY CORPORATE SOCIAL RESPONSIBILITY (CSR) REQUIREMENT GOING FORWARD?
5. DOES COMPLIANCE HAVE VISIBILITY INTO THIS OR DOES IT GO THROUGH A COMPANY CHARITABLE DONATION GROUP OR COMMITTEE?
CHARITABLE DONATIONS - LILLY & KEY ENERGY
LILLY

- Poland - charitable contributions tied to new business or payments
- Approximately $225,000 in charitable donations over 3 years. Highest amount $7500
- Spike in sales of 69% in Year 1; then 78% in Year 2
KEY ENERGY

- 1st SEC enforcement action to discuss transaction monitoring
- Christmas gift giving increase from $55K in 2010 to $118K in 2012
- 2 contract extensions during time frame
WHAT’S YOUR STRATEGY
What is your strategy?

1. Lay out strategy that details efforts which will support the business strategy
2. Who are your compliance customers?
3. How are you capturing the value of your innovations?
CREATING AND IMPLEMENTING AN INNOVATION STRATEGY

1. How are we expecting innovation to create value?”

2. Create a high-level plan for allocating resources to the different kinds of innovation

3. Manage trade-offs so senior leaders can make the choices that are best for the whole company

4. Your strategy must evolve
How Does AI Work in Compliance?

“BLEND TECHNOLOGY-ENABLED INSIGHTS WITH A SOPHISTICATED UNDERSTANDING OF HUMAN JUDGMENT, REASONING, AND CHOICE”

PAUL J. H. SCHOEMAKER AND PHILLIP E. TETLOCK
How can AI assist in compliance

AI CAN HELP COMPLIANCE IN THE KNOWLEDGE ECONOMY.

AI IN COMPLIANCE WILL BENEFIT THE BUSINESS GOING FORWARD.
COMPLIANCE & AI
GOING FORWARD

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Compliance Evangelist
Kasparov’s Law

Weak Human + Machine + Better Process is Superior to Strong Human + Machine + Inferior Process
QUESTIONS?