**Maurice A. Deane Law School at Hofstra University**  
**Law 2738**  
**Corporate Compliance and Ethics**  
**Spring 2016**

<table>
<thead>
<tr>
<th>Instructor:</th>
<th>Lectures:</th>
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<tbody>
<tr>
<td>Professor James M. Black II</td>
<td>Tuesdays, 4:10-6:00pm, Room 0014</td>
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<tr>
<td><strong>Email:</strong> <a href="mailto:James.M.Black@hofstra.edu">James.M.Black@hofstra.edu</a></td>
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<tr>
<td><strong>Office:</strong> TBD</td>
<td><strong>Office Hours:</strong> By appointment</td>
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<tr>
<td><strong>Phone:</strong> (516) 384-9706</td>
<td><strong>Text:</strong> The Law of Governance, Risk Management and Compliance by Geoffrey Parsons Miller</td>
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**Course Description**

This course will introduce students to the core concepts of corporate compliance and ethics. We will review the role of compliance as well as the role of compliance officers in today’s corporations. Their role is especially important in the current environment of heightened scrutiny by regulators, shareholders and the media. We will spend several classes on the ‘nuts and bolts’ of compliance: setting the tone and getting the culture right, the code of conduct, helplines/hotlines and training. Then we will focus on specific areas of compliance such as privacy (including Gramm Leach Bliley, HIPAA, US Safe Harbor), human resources/employment issues (e.g. Discrimination, ADA, and Harassment), import export and other trade issues as well as FCPA, AML and OFAC issues. We will finish the course discussing whistleblowers, internal investigations and finally the role of the board of directors and audit committee in corporate compliance. This will be a very practical “how to” class, with special focus on current evolving issues and how companies are dealing with them.

**Course Objectives**

- To increase your knowledge of how compliance works and is viewed in modern corporations.
- To gain a basic understanding of several specific substantive areas of compliance law.
- To understand the role of compliance professionals.

**Instructional Methods**

The course will use readings, cases, and class discussion. Reading assignments provide a basis for both lectures and discussions and must be completed prior to each class session. All reading assignments are listed at the end of the syllabus and may be supplemented by other articles or on line resources as the semester goes on. Other than the text book, all other resources will be posted on Blackboard and or e-mailed to students at least a week ahead of the class in which it will be discussed. Lectures will supplement information gleaned from the reading assignments and strive to integrate course material and draw insights from the material presented. Students are responsible for all materials covered in the readings and discussed during classes.
Attendance/Lateness

Attendance is a critical component of class success and for the accumulation of the necessary substantive knowledge and information to succeed in the class. You are therefore expected to arrive on time and prepared for each class. Late arrivals are disruptive to the class. Please make every effort to arrive on time to class.

The rules of the New York State Court of Appeals and the American Bar Association, as stated in the Student Handbook, require law students to be in good and punctual attendance in the courses for which they are registered. To comply with these rules, you must attend at least 85% of the regularly-scheduled classes in this course. Thus, you may miss no more than four class hours (or two classes) in this two-credit class. If you exceed the permitted absences you will be administratively withdrawn from the course.

It is necessary for all students to sign the daily attendance sheet for each class, keep track of his/her absences and notify the Professor prior to class of all absences to ensure correct attendance records.

The Office of Student Affairs has authority to excuse class absences for religious reasons and in cases of truly compelling hardship. If you wish to claim a particular absence as excused, and thus not counted against your maximum number of allowable absences, you must take that issue up with the Office of Student Affairs. I may mark an absence as excused if and only if I receive a note or email from the Office of Student Affairs to that effect. Strict compliance with attendance requirements is imperative and there is no prerogative or discretion which may be exercised in this regard.

Evaluation of Student Performance:

<table>
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<tr>
<th>Grade Component</th>
<th>Description</th>
<th>Final Grade</th>
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<tr>
<td>Final Examination</td>
<td>Final Examination.</td>
<td>50%</td>
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<tr>
<td>Midterm Examination</td>
<td>Midterm Examination</td>
<td>30%</td>
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<tr>
<td>Class Participation</td>
<td>Weekly class involvement, preparation, thoughtful and insightful comments.</td>
<td>20%</td>
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Miscellaneous Issues

Academic dishonesty will not be tolerated. All work submitted by a student in this course must be the student's own work. Please review the Code of Conduct so that your behavior complies with the appropriate standards of academic integrity.

All cell phones and pagers should be turned to vibrate mode only during class and you should not surf the Web or Instant Message as it will interfere with the learning process and may be a distraction to your fellow students. If you need to attend to some matter during class, please take it upon yourself to leave quietly and promptly so that the class is not unnecessarily disturbed.
Students with disabilities should contact the Dean for Student Services as soon as possible to request reasonable accommodations, if necessary.

Week 1 – January 12

Introduction - the role of compliance in the modern corporation.

In this section of the course, we will begin to analyze the development of corporate compliance generally, the historical background (including key cases and events) that have shaped corporate compliance both domestically and internationally, and how these rulings and policies have contributed to the current landscape of modern corporate compliance.

Materials

Week 2 – January 19

Ethics and Corporate Culture – setting the tone and getting the culture right

In this section of the course we will discuss the concepts of a culture of compliance. We will review cases and articles that take a deeper look at why companies need to not only have a code and a hotline, but also why they need to matter. The “tone at the top” and “getting the culture right” are key components of any robust compliance program. They are the spirit behind the rules.

Materials
- Mary-James Young, *From Compliance Program to Compliance Excellence: The Why’s, the How’s, and the Results*, COMPLIANCE & ETHICS PROFESSIONAL, August 2015, at 75.

Week 3 – January 26

The Code of Conduct – the core document of every compliance program

In this section of the course, we will discuss why a company needs one, how a lawyer drafts one and the key elements it should contain. We will review the obligations created by the code for employees as well as for the company. We will also look at who is and can be bound by a company’s code, e.g. employees, outside directors, independent contractors, suppliers, etc, and the benefits and challenges of extending the coverage of the Code.

Materials
- Codes of Conduct of various companies

Week 4 – February 2

The Helpline/Hotline – the pipeline for data that connects a compliance program directly to the people it is there to protect.

In this section, we will review best practices for setting up an ethics hotline/helpline, who should maintain it, including the benefits and challenges of insourcing vs. outsourcing the function. We will discuss the obligations a company undertakes by establishing and operating a hotline/helpline, including a “risks vs. rewards” analysis.

Materials

Week 5 – February 9

Investigations and Whistleblowers

In this section, we will define whistleblowers and the effect they can have on an organization. We will discuss best practices regarding whistleblowers and how an organization can properly investigate claims from whistleblowers. For a practical application, we will review the role that whistleblowers played surrounding scandals such as Enron and WorldCom.
Materials


Week 6 – February 23

Compliance Training – making sure all our constituents know what they need to know in terms they can understand.
In this section of the course we will review the purpose for training, how to choose training topics, how often to train, who to train. We will also discuss best practices, formats for training, e.g. live, on line, etc.

Materials
- CEB COMPLIANCE AND LEGAL, ADVANCE YOUR COMPLIANCE AND ETHICS PROGRAM (CEB 2015)
- Andrew M. Rink et al., *Key Elements of a Top-notch Compliance Program*, ACC DOCKET, Jan. /Feb. 2015, at 76.

Week 7 – March 1

Role of the Board and Internal Audit in Compliance

In this section, we will review the role of the board of directors as the highest management authority of an organization. We will focus on the role of the board of directors and their duty to the company regarding internal audits and passing binding corporate rules.

Materials

Week 8

MIDTERM - OPEN BOOK

Weeks 9 & 10 - March 15 & March 22

Privacy issues including Gram- Leach and HIPAA, US Safe Harbor, comparative rules in the US, EU, Japan, Australia, etc.

At this point in the course we will move to specific areas of compliance. The first section will focus on issues relating to privacy and the protection of personal information. We will discuss the complexities corporations face in protecting personally identifiable
information when operating internationally. We will also compare and contrast the rules regarding privacy in key marketplaces such as the US and EU.

Materials
- Compliance & Ethics Professional, *Belgian Privacy Watchdog Takes Facebook to Court*, COMPLIANCE & ETHICS PROFESSIONAL, August 2015, at 6.

Weeks 11 & 12   April 5 & April 12

HR/employment issues - Discrimination, ADA, Harassment, etc. comparing the US, EU and other jurisdictions

In this section, we will discuss the basic framework of employment law in the US. We will analyze the major issues a corporation faces in shaping policies that protect its employee’s regarding their personal race, sex, religion, disability and age. We will also review issues the corporations face regarding key employment legislation such as the FMLA and ADA.

Materials
Week 13 April 19

FCPA, OECD, AML, BSA, OFAC issues

In this section, we will review corporate policy designed to prevent corruption and bribery of foreign officials. We will discuss the major compliance requirements in the US, including the Foreign Corrupt Practices Act (FCPA), Office of Foreign Assets Control (OFAC), as well as the Bank Secrecy Act (BSA). We will discuss the key requirements of each piece of legislation and how they intersect in regards to shaping an effective anti-money laundering policy.

Materials


Week 14 - April 26

Import/Export issues
In this section we will review the challenges corporations face regarding importing and exporting goods internationally. We will discuss how corporations can ensure they are compliant with both US and foreign laws when manufacturing, exporting, or importing goods. We will also discuss how the laws and requirements may change based on the types of goods that are being imported or exported.

Materials
- Kasey Ingram & Brian F. Walsh, A Lean Approach to Evaluating and Addressing Export Compliance Issues in M&A Transactions, ACC DOCKET, Jan./Feb. 2015, at 56.
- 19 C.F.R. § 122.48a (2012).
- 19 C.F.R. § 123.91 (2012).

Note: The Professor reserves the right to modify this syllabus and any course readings during the semester as needed.