Maurice A. Deane Law School at Hofstra University  
Law 2738  
Corporate Compliance and Ethics  
Spring 2018

**Instructor:**  
Professor James M. Black II  
**Email:** James.M.Black@hofstra.edu  

**Office:** TBD  
**Office Hours:** By appointment  

**Phone:** (516) 384-9706  

**Lectures:**  
Thursday, 4:10-6:00pm, Room 243

**Text:** The Law of Governance, Risk Management and Compliance  
by Geoffrey Parsons Miller

---

**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, Privacy Shield), cyber security, 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 in the real world and how it 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 online resources as the semester goes on. Other than the textbook, all other resources will be posted on TWEN 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.

THE ARTICLES ARE VERY SHORT – DO NOT BE TROUBLED BY THE AMOUNT ASSIGNED
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. The examinations will be substantially based on lectures. 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. It is also expected that you will stay for the entire 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.

All students must sign the attendance sheet 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>
<thead>
<tr>
<th>Grade Component</th>
<th>Description</th>
<th>Final Grade</th>
</tr>
</thead>
<tbody>
<tr>
<td>Final Examination</td>
<td>Final Examination.</td>
<td>60%</td>
</tr>
<tr>
<td>Midterm Examination</td>
<td>Midterm Examination</td>
<td>40%</td>
</tr>
<tr>
<td>Class Participation</td>
<td>Weekly class involvement, preparation, thoughtful and insightful comments.</td>
<td>I give the 1/3 bump to everyone who participates</td>
</tr>
</tbody>
</table>

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 11

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

- SAI Global *The Ten Habits of Highly Effective Compliance Programs*
- Metric Stream *Five Elements of a High Performing Compliance Program*

Week 2 – January 18

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.
- *How Corporate Culture Affects the Enterprise*, CEB Compliance and Ethics, July 13, 2016
- Hitec Labs, *Creating and Maintaining an Ethical Culture*


Week 3 – February 1

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

In this section of the course, we will discuss why a company needs need 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
- Debbie Troklus and Sheryl Vacca; Develop a Code of Conduct; THE COMPLIANCE & ETHICS BLOG, August 1, 2016, available at http://complianceandethics.org/develop-code-conduct/
- Getting Code Review Right; CEB Compliance and Ethics, May 4, 2016
- Five Steps To Creating & Implementing a Modern Code of Conduct Program, EMTRAIN, July 1, 2017

Week 4 – February 8

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
- Carrie Penman and Edwin O’Mara; 2017 Hotline Benchmark Report; Navex Global, April 19, 2017

Week 5 – February 15

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


- United States v. Ebbers, 458 F.3d 110 (2nd Cir. 2006).


- Embracing Whistleblowers, Navex Global, March 1, 2017


- Mary Beth Bosco, Robert K. Tompkins and Kwamina Willford, Growing Whistleblower and Investigation Risks for Government Contractors, COMPLIANCE AND ETHICS PROFESSIONAL, September, 2015

- Rough Terrain, THE ECONOMIST, December 5, 2015

- Elizabeth Svoboda, What Makes Whistleblowers Speak Out While Others Stay Silent About Wrongdoing, WASHINGTONPOST.COM, July 13, 2017

- Jenna Embersole, Whistleblowers Slam Bid For Stay By For-Profit College, LAW360.com, November 16, 2015


- John F. Fullerton III, Internal Investigations Pose Unique Challenges for Corporate Counsel, NYSBA Inside, Spring/Summer 2015

- Judy Greenwald, SEC Pays Out Third Highest Whistleblower Award of $3Million, BUSINESSINSURANCE.COM, July 15, 2015


Week 6 – February 22

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)
- Anne Marie Logarta, Conducting Compliance Training in International Locations, COMPLIANCE & ETHICS PROFESSIONAL, July 2015, at 29.
- By the Numbers: Making the Business Case for Employee Compliance Training; Navex Global, June 6, 2015
- Mary Bennett and Ingrid Freeden, How Can I Make Sure My Compliance Training Program Covers All My Risks, Navex Global November 11, 2015
- Keeping Training Simple – Back to Basics

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

- *Concerns About Risks Confronting Boards*, Eisner/Amper, March 2017

TAKE HOME MIDTERM

Week 8 & 9 March 8 & 15

Privacy issues including Gram- Leach and HIPAA, US-EU Privacy Shield, comparative rules in the US, EU, Japan, Australia, etc., cyber security issues

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.


- German Data protection Authorities investigate international data transfers; Taylor Wessing, 15 November 2016

Weeks 11 & 12 March 22 and April 5

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 12 April 13

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

- Ian McKinnell et al., *Corruption: In the Fight Against Bribery, the Rest of the World is Catching Up* 12 (ALM Special Report June 2015).
Week 13 - April 19

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


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