

The Professional Career and Trends in Compliance

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Outline of Topics

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- Job Functions, Responsibilities, and Skills
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History of the Compliance Profession



A Long Series of Scandals Means Increased Regulation and Company Responsibility for Internal Policing

- **Early 70s:** Watergate → Increased ethics training for lawyers
- **Late 70s:** Foreign Corruption and Bribery → FCPA
- **80s:** Defense Industry Procurement Scandal → Defense Industry Initiative
- **Late 80s:** Savings and Loan Crisis & Junk Bonds → 1991 Federal Sentencing Guidelines for Organizations
- **Early 00s:** Enron, WorldCom, Tyco, etc. → Sarbanes-Oxley Act, 2004 Sentencing Guidelines Amendments
- **Late 00s:** Housing Market/Subprime Mortgage Crisis and Lehman Brothers et al. → Dodd Frank

1991 Federal Sentencing Guidelines

- FSGO do not require companies to establish ethics & compliance programs, but offer significant leniency in penalties if companies are convicted of federal crimes and have such programs
- Specifies core elements of qualifying programs (Seven Steps):
 1. Establish Policies, Procedures and Controls
 2. Exercise Effective Compliance and Ethics Oversight
 3. Exercise Due Diligence to Avoid Delegation of Authority to Unethical Individuals
 4. Communicate and Educate Employees on Compliance and Ethics Programs
 5. Monitor and Audit Compliance and Ethics Programs for Effectiveness
 6. Ensure Consistent Enforcement and Discipline of Violations
 7. Respond Appropriately to Incidents and Take Steps to Prevent Future Incidents

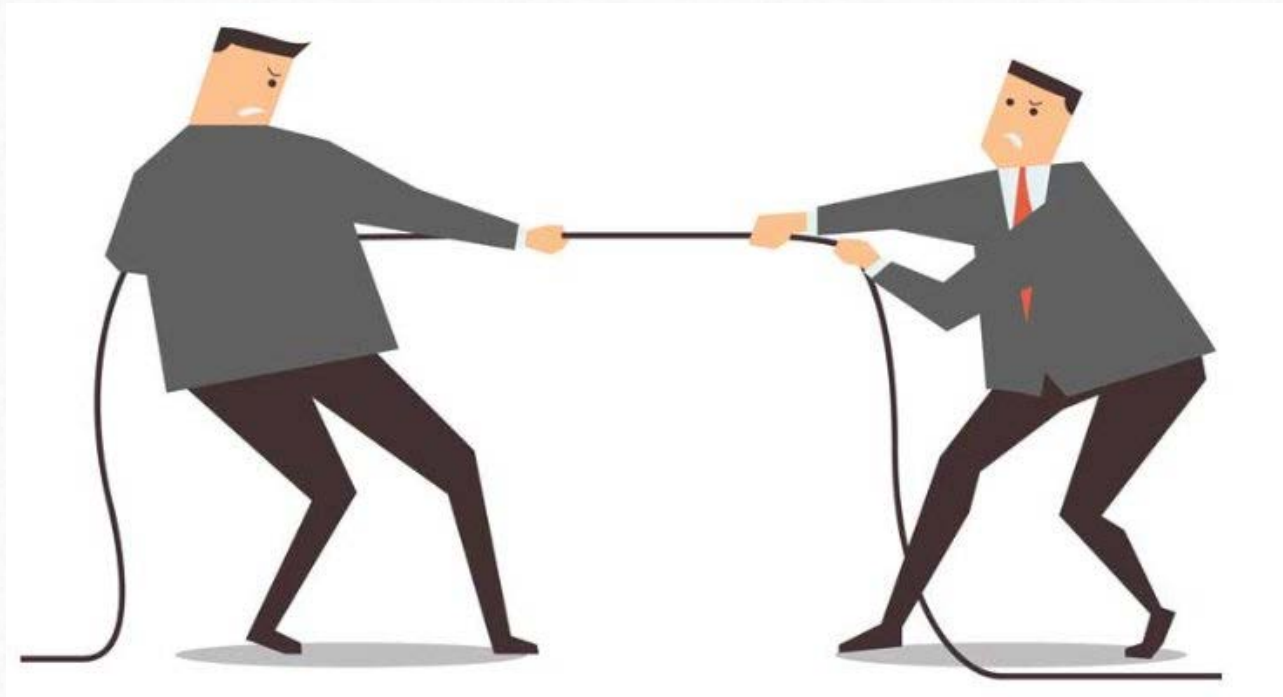
1996 *Caremark* Decision

- Company Directors are potentially liable for a breach of duty to exercise appropriate attention if they knew or should have known that employees were violating the law, declined to make a good faith effort to prevent the violation, and the lack of action was the proximate cause of damages
- Incentivizes internal compliance protocols to reduce liability risks

The Compliance Profession is Born!



Should Compliance Officers Be Lawyers?



Which Industries Need Compliance Professionals?

Healthcare/Pharmaceutical

Financial

International Trade

Extractive Industries

Environmental

Higher Education

Sports

Technology/Privacy/Cybersecurity

Government Contracting

Human Resources

Defense

Job Types and Functions

- Risk Assessment and Controls
 - Policies and Procedures
- Monitoring and Detection
 - Investigations and Audit
 - Organizational Justice
- Trainings and Communication
- Research and Advice
- Internal and External Reporting
- Cross-Discipline Coordination
- Promoting Ethics, Culture, and Tone

Career Growth

- Bureau of Labor Statistics projects the compliance profession will grow by 8.2% through 2026
- According to the BLS, the median annual salary for compliance officers was \$66,540 in 2016, but there can be wide differences in wages depending on a job's educational, scientific and work experience requirements. The best-paid 10% in the field earned \$105,260 in 2016, while the lowest-paid 10% earned \$37,630

Education Trends



FORDHAM UNIVERSITY
THE SCHOOL OF LAW



COLORADO
LAW



THE UNIVERSITY
OF ARIZONA®

James E. Rogers College of Law



School of Law



Colorado Law's MSL in Ethics & Compliance

- Brand new degree track – in our second year
- Small class size
- Student body composition
- 1 year, 28 credits, No LSAT
- Full or part time options
- Employee tuition benefit
- Required and elective courses – examples and typical schedule
- Faculty
- Externships

The Student Perspective
