

ISO 37001

(ANTI-BRIBERY
MANAGEMENT SYSTEMS)

OVERVIEW,
ADVANTAGES &
OPPORTUNITIES

ORGANIZATION OF AMERICAN STATES

MESICIC COMMITTEE OF EXPERTS
MEETING

WORTH MACMURRAY
MARCH 14, 2019

ISO 37001

DISCUSSION AGENDA

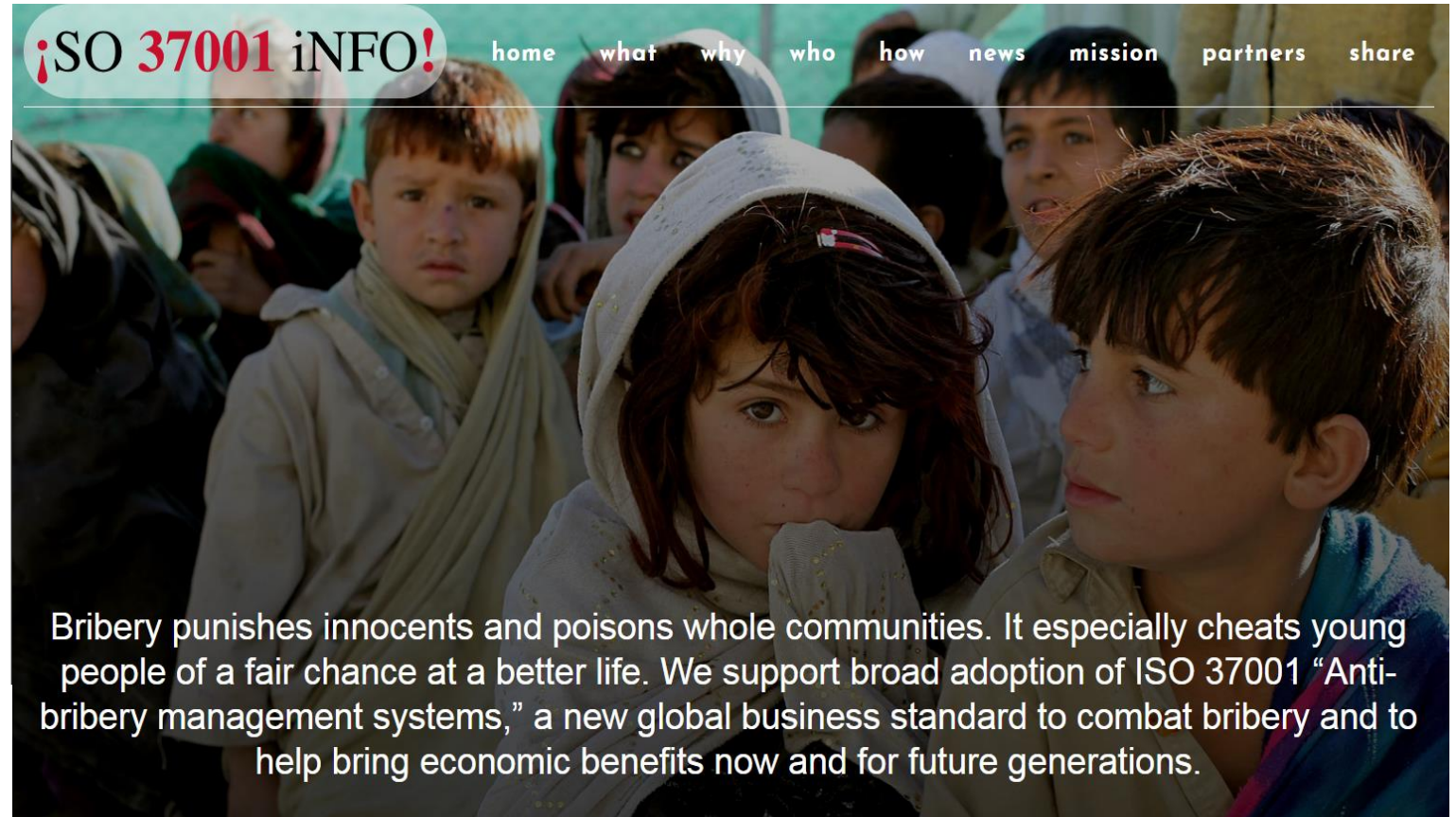
- CURRENT ADOPTION STATUS & TRENDS
- ISO 37001 – WHY?
- ISO 37001 – WHAT?
- PUBLIC SECTOR ADOPTION ADVANTAGES
- PRIVATE SECTOR ADOPTION ADVANTAGES

Bribery & Civil Society

\$2,000,000,000,000

\$30,000,000

\$2,300



The image shows a screenshot of the ISO 37001 iNFO website. The header features the logo 'ISO 37001 iNFO!' in a red and white circle, followed by navigation links: 'home', 'what', 'why', 'who', 'how', 'news', 'mission', 'partners', and 'share'. The main content area displays a photograph of a group of children, with a young girl in the foreground wearing a white headscarf and looking thoughtfully to the side. Below the image, a text block reads: 'Bribery punishes innocents and poisons whole communities. It especially cheats young people of a fair chance at a better life. We support broad adoption of ISO 37001 "Anti-bribery management systems," a new global business standard to combat bribery and to help bring economic benefits now and for future generations.'

SEE: WWW.ISO37001INFO.ORG

ISO 37001 ADOPTION & TRENDS

- GOVERNMENTS – VARIED ADMINISTRATIVE APPROACHES
NATIONAL – GUATEMALA, INDONESIA, MALAYSIA, PERU, SINGAPORE, UAE
- US COMPANIES
MICROSOFT, WALMART PURSUING CERTIFICATION
LEGG MASON (FINANCIAL SERVICES) CERTIFIED
- OVERSEAS COMPANIES
ALSTOM, ENI , BOSCH, KOREA AEROSPACE INDUSTRIES - CERTIFIED
BRAZIL, ITALY, KOREA & PERU – LARGEST CERT. #'S
EUROPE, ASIA – HISTORICALLY ISO “EARLY ADOPTERS”
- GOVERNMENTS – LAW ENFORCEMENT (BRIBERY CASE SETTLEMENT)
BRAZIL – ODEBRECHT – ISO 37001 AS CONDITION SUBSEQUENT
DENMARK – ATEA DENMARK – ISO 37001 AS CONDITION PRECEDENT

The Need for ISO 37001

*A HISTORIC OVERVIEW OF
COHERENT, HIGH-VALUE,
LOW-COST, AND EFFECTIVE
ANTI-CORRUPTION AND
ANTI-BRIBERY INITIATIVES*

The Need for ISO 37001

*THE ANTI-BRIBERY
COMPLIANCE
ENVIRONMENT*

- MULTIPLE, CONFLICTING, AMBIGUOUS LEGAL STANDARDS
- UNEVEN ENFORCEMENT OF ANTI-BRIBERY LAWS
- HIGH RISK (US & GLOBAL) ENFORCEMENT ENVIRONMENT
 - DOJ FCPA SETTLEMENTS (AVG. > \$30 M)
 - INCREASING DOJ EMPHASIS ON PERSONAL (EXECUTIVE) LIABILITY
 - OVERSEAS ENFORCEMENT ON THE RISE
- NO INCENTIVES FOR “EFFECTIVE COMPLIANCE PROGRAM”
- ABSENCE OF MEANINGFUL BUSINESS STANDARD GUIDANCE
 - WEF, NGO AND SECTOR GUIDANCE = PARTIAL SOLUTIONS
 - NOT COMPREHENSIVE OR SCALABLE
 - COMPLICATING PERCEPTIONS – SOME PERCEIVED AS US-IMPOSED
 - QUESTIONABLE VALUE

ISO 37001

OVERVIEW

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MACRO

- BUSINESS (NOT A LEGAL) STANDARD
 - VOLUNTARY
 - FLEXIBLE - NOT “ONE SIZE FITS ALL”
 - REASONABLE, PROPORTIONATE AND RISK-BASED
 - APPLICABLE TO PUBLIC AND PRIVATE SECTORS (AND NGOs)
- BUSINESS INCENTIVE = CERTIFICATION (RECOGNITION)
 - CERTIFICATION FROM ACCREDITED INDEPENDENT 3RD PARTY (“CERTIFYING BODY”) AFTER AUDIT
 - FOLLOWS “MANAGEMENT SYSTEM” APPROACH OF 9001 (QUALITY), 14001 (ENVIRONMENTAL) & 27001 (DATA PROTECTION)
- FOLLOWS LEADING ANTI-BRIBERY STANDARDS AND PRACTICES (BUSINESS & LEGAL)
 - SUPPORTS AND ALIGNS WITH EXISTING LEGAL OBLIGATIONS AND BETTER-KNOWN BUSINESS APPROACHES
 - SPECIFICALLY INCORPORATES AS A REQUIREMENT – APPLICABLE (LOCAL AND OTHER) ANTI-BRIBERY LAW
- COMMON (GLOBAL) ANTI-BRIBERY LANGUAGE
 - INT. ORG. FOR STANDARDIZATION (ISO) PROMULGATION
 - SIGNIFICANTLY, NOT PERCEIVED AS US, WESTERN NATION AND/OR LARGE COMPANY- DRIVEN
 - 3+ YEARS EFFORT AMONG 37+ COUNTRIES

CONTEXT:
LEGAL
STANDARDS
VS.
ISO 37001

EXISTING FCPA ANTI-CORRUPTION PROGRAM

- NO CERTAINTY AS TO WHETHER OR NOT PROGRAM IS “EFFECTIVE” UNTIL BACK-END TESTED IN WORST-CASE DOJ/SEC INVESTIGATION SCENARIO

ISO 37001 ANTI-BRIBERY MANAGEMENT SYSTEM CERTIFICATION

- TANGIBLE AND POSITIVE FRONT-END GLOBAL STANDARD-BASED ACHIEVEMENT
- EMPHASIZES “HERE’S WHAT IT IS” AND “HERE’S HOW TO DO IT” INSTEAD OF “THOU SHALT NOT”

ISO 37001

OVERVIEW

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MICRO

- PROCESSES & TASKS TO PREVENT & DETECT BRIBERY WITHIN MANAGEMENT SYSTEM FRAMEWORK
- COMMON-SENSE SYSTEM TAILORED TO ANTI-BRIBERY
 - FACTS (CONTEXT)
 - LEADERSHIP
 - PLANNING OPERATION
 - COMMUNICATIONS & CONTINUOUS IMPROVEMENT
- FAMILIAR ANTI-BRIBERY/ANTI-CORR. THEMES
 - CULTURE OF COMPLIANCE
 - COMPLIANCE RESOURCES
 - COMPLIANCE PERSONNEL QUALITY & EXPERIENCE
 - COMPLIANCE PERSONNEL REPORTING STRUCTURE
- ISO 37001 = SPECIFICITY & DETAIL
- GLOBALLY-RECOGNIZED VIEW/ASSESSMENT OF AN ORG'S ANTI-BRIBERY ACTIVITIES – OUTSIDE OF A CRISIS CONTEXT

ISO 37001 ADVANTAGES FOR GOVERNMENTS

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RAISES GLOBAL STATURE

*SHIFTS PROCUREMENT
COSTS & LOGISTICS*

PROJECTS POWER

STRATEGICALLY – TURNING A WIDELY-ACKNOWLEDGED RISK (BRIBERY) INTO A POSITIVE REFLECTION ON HOW THE COUNTRY MANAGES THE RISK – WITH IMPROVEMENTS TO:

- COMMERCIAL RISK POSTURE & COMPETITIVENESS
- AID & LOAN AVAILABILITY AND TERMS
- HELPS TO IMPROVE PERCEPTIONS OF TRUST

PRACTICALLY – “ALIGNMENT” (INTERNAL & EXTERNAL) LEADING TO CERTIFICATION GOAL - BY

- IDENTIFYING “SUCCESS” OPPORTUNITIES
- ESTABLISHING TRANSPARENT STANDARDS
- IMPLEMENTING STANDARDS
- MANAGING, IMPROVING & COMMUNICATING

ISO 37001 BUSINESS ADVANTAGES

- - -

**REASONABLE, PROPORTIONATE
& RISK-BASED PROCESSES &
PROCEDURES TO PREVENT &
DETECT BRIBERY**

HELPS CONTROL COSTS

*HELPS GROW AND SUSTAIN
ENTERPRISE VALUE*

STRATEGICALLY – DIFFERENTIATE IN
BIDS/PROPOSALS/LOAN APP'S/OFFERING DOC'S BY
TURNING A KNOWN RISK INTO A POSITIVE REFLECTION
ON HOW COMPANY DOES BUSINESS

FINANCIALLY – REDUCE OR OFFSET ANTI-BRIBERY
ACTIVITY COSTS

9001 REVENUE GENERATION CASE STUDIES

DRIVE ISO 37001 CERTIFICATION THROUGH PRIMARY
SUPPLY CHAIN PARTICIPANTS (WMT, MS AND OTHERS)

“COMMON LANGUAGE” EFFICIENCIES

OPERATIONALLY – LEVERAGE (AND IMPROVE)
EXISTING LEGAL ANTI-CORRUPTION COMPLIANCE
PROGRAM ACTIVITIES

THANK YOU
&
QUESTIONS

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