

## POST-YATES: THE SEVEN COMPONENTS OF A COMPLIANCE FOUNDATION

The Yates Memorandum establishes an important policy shift in the Department of Justice's approach to corporate investigations and individual executives' conduct. In emphasizing individual liability, the new policy naturally increases the importance of a compliance program within your organization. In fact, Deputy Attorney General Sally Yates even referred to compliance professionals as "crucial partners" in the fight against corporate wrong-doing.

What the Yates Memorandum does not change, however, are the fundamental components of a compliance foundation. Indeed, these seven components are more important than ever:

### 1. Build a culture of compliance from the top down and from the bottom up

- The board and senior management set the tone at the top and must send the message that compliance is a high priority
- Employees must feel empowered to speak up and have ready channels to communicate compliance issues

### 2. Give compliance a seat at the table

- Your compliance personnel should be embedded into your business and know the products, customers, clients, services, and business model
- Compliance officials should have clear reporting lines to senior management

### 3. Know the "Three T's" of a successful compliance program

- Talent: Your chief compliance officer and his or her team should be top notch
- Training: All employees must know their compliance obligations and how to report concerns
- Testing: You should test your compliance program's effectiveness through regular audits

### 4. Write a compliance plan and update it often

- Commit your plan to writing and state –your objectives and process simply and clearly
- Your plan should evolve with your organization and be updated regularly to reflect business or legal changes and your organization's continuous improvement

### 5. Evaluate and document

- Your process should include routine documentation—if you didn't document it, you didn't do it
- Your compliance program must be able to evaluate the seriousness of issues (or lack thereof) and prioritize those that require the most immediate attention



#### 6. Sweat the “small” stuff

- Small offices, small business lines, and other non-core activities often can pose the big compliance problems because they are prone to neglect
- Compliance directives and policies should apply consistently across an organization

#### 7. Right-size your efforts and know when to get help

- A compliance plan must fit your business now—not someone else’s organization or even your own organization ten years ago
- When issues demand it, don’t hesitate to get appropriate support from senior management, in-house or outside counsel, or other necessary parties



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