



Supporting Ethics & Compliance Training Programs by Leveraging Technology

April 28, 2009
Presented by Frank Lopez
Qwest Director of Ethics & Compliance

Qwest Ethics & Compliance THE RIGHT DIRECTION 

The Mission


To inspire ethical conduct and educate employees to enable them to better identify, quantify, manage and report matters presenting a potential for non-compliance with the law, the company's code of conduct and general principles of ethical conduct.

Qwest Ethics & Compliance THE RIGHT DIRECTION 

Why compliance matters...

- A strong corporate culture can protect and enhance the company's brand.
- Seventy-nine percent of American consumers consider corporate citizenship when making purchase decisions.¹
- Only 45% of American adults believe that public companies are governed ethically.²
- Increasing stakeholder interest in Corporate Social Responsibility.

Sources:
1) Hill and Knowlton, <http://www.cnet.com/Press/Release.php?id=676>
2) Consumer Federation of America Survey

Qwest Ethics & Compliance THE RIGHT DIRECTION 

Why compliance matters...

A Strong Compliance and Ethics Program:

- Satisfies Legal Requirements for a Publicly Traded Company.
- Protects the Company from Legal, Financial, and Reputational harm.
- Protects the Value of the Corporate Brand and Consumer Goodwill.
- Increases Employee Morale and Productivity.
- Creates the Foundation for Long-term Corporate Sustainability.



Knowledge is power!

- When it comes to corporate compliance, ignorance is not bliss!!
- Employee training is the key to the success of the mission!



Training Is Key To An Effective Compliance Program

U.S. Sentencing Guidelines provide guidance regarding elements of an effective compliance program and require companies "to **communicate** periodically and in a practical manner [their] standards and procedures, and other aspects of the compliance and ethics program, to [its employees and leadership] by **conducting effective training programs and otherwise disseminating information** appropriate to such **individual's** respective roles and responsibilities."

(2007 Federal Sentencing Guidelines for Organizations sec.8B2.1(b)(4)(A))



Overview: Methods to Enhance the Training Program

- Leveraging Learning Management Systems
- Map This
- Channels for Delivering Awareness
- Ethics and Compliance Learning Portal
- Embedding Controls Within Your Training

Qwest Ethics & Compliance THE RIGHT DIRECTION Qwest

Tracking Training

- Most organizations have some system by which they track and record compliance data. Because if you can't demonstrate compliance, it didn't happen!
- Typical Uses
 - Training Delivery
 - Individual Training Progress

Qwest Ethics & Compliance THE RIGHT DIRECTION Qwest

Training & Awareness

Training and Communication at all levels:

- Mandatory, annual training for all employees, including executive officers, on Code of Conduct and corporate policies.
- Board of director training on oversight responsibilities.
- Mandatory targeted job-related training (e.g., Insider Trading, Regulatory, SOX, Government Contracts, FCPA, etc.).
- Communications regarding policy revisions and other compliance initiatives on a routine basis and as needed.
- Other awareness efforts (posters, wallet cards, emails, articles, etc.)

Qwest Ethics & Compliance THE RIGHT DIRECTION Qwest

Leveraging Learning Management Systems (cont'd)

- Taking it to the next level
 - Ethics and Compliance Learning Portal
 - Encompasses
 - Customized Curriculum
 - Source for Advice
 - Reporting Allegations
 - Awareness
 - Acknowledgments
 - Organizational Completion Scorecard

Qwest Ethics and Compliance

FYI		Advice Line
About Us	What's New	Know The Code
Know The Code		
What Is Insider Trading?		
<p>"Insider trading" is the purchase or sale of securities while in possession of "material nonpublic information." Material nonpublic information, or insider information, is information that is not public and that may affect the price of Qwest stock.</p> <p>Some examples of insider information include: financial forecasts or results; product information; marketing plans; proposed acquisitions or divestitures; and strategic plans or information about significant changes or developments.</p>		
		2 / 9



10

Automated Curriculum Mapping- Map This!

- USSG Commentary – a further reason to map training with precision
 - 2. *Factors to Consider in Meeting Requirements of this Guideline.*—
 (A) *In General.*—Each of the requirements set forth in this guideline shall be met by an organization; however, in determining what specific actions are necessary to meet those requirements, factors that shall be considered include: (i) applicable industry practice or the standards called for by any applicable governmental regulation; (ii) the size of the organization; and (iii) similar misconduct.
- Successful mapping requires an understanding of the employee base
- Some factors to consider:
 - Employee Type (management, union, part-time, etc.)
 - Geography
 - Job Codes/Titles
 - Compensation Plans (salaried, hourly, sales)
 - Organizational Hierarchy (executive, supervisor, individual contributor, etc.)



11

Automated Curriculum Mapping- Map This

- Mapping Examples
 - Code of Conduct (Everyone)
 - Domestic
 - International (May have multiple versions)
 - California Sexual Harassment Prevention (Supervisors of employees in the state of California)
 - HIPAA (HR and supervising managers)
 - SOX
 - Overview for Directors and above
 - Detailed version for accountants and business process owners
 - Insider Trading (Management Employees)
 - FCPA (International exposure and VP and above)
 - Ethical Sales Practices (Sales Compensation Plan)



12

Automated Curriculum Mapping- Map This

Course	Exp	Status
Statewide Compliance	06/2008	Completed
Telecom Act 2008	06/2008	Completed
FCPA	06/2008	Completed

Course	Exp	Status
Conflicts of Interest	06/2008	Completed
Conflicts of Interest	06/2008	Completed

Training- Focus on What Matters!

- **Code of Conduct**
- **Industry specific regulatory training**
- **Specialized Training**
 - Antitrust
 - Business Ethics
 - Government Contracts
 - Insider Trading
 - Foreign Corrupt Practices Act

Channels for Delivering Awareness

Get the message out!

- **Mini-Modules**
 - Monthly awareness on Code of Conduct topics
- **You Be The Judge**
 - Scenarios based on real-world events to apply ethical decision-making skills
 - Other
- **Messaging**
 - Brown Bag Sessions
 - Staff Meetings
 - News Letters

Qwest Ethics and Compliance

FYI | Advice Line

About Us | What's New | **Know The Code**

Know The Code

What is Insider Trading?

"Insider trading" is the purchase or sale of securities while in possession of "material nonpublic information". Material nonpublic information, or insider information, is information that is not public and that may affect the price of Qwest stock.

Some examples of insider information include: financial forecasts or results; product information; marketing plans; proposed acquisitions or divestitures; and strategic plans or information about significant changes or developments.

2/9

Questions