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Meet Kimberly Brandt



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For more information see page 35 of this issue.

Letter from the CEO

Roy Snell

Would China execute american co-conspirators for fraud?

Discipline is one of the most important elements of a compliance program. High level management is often exempt from discipline. In fact, it has been difficult to criminally prosecute high level management, even when they appear to be guilty. Apparently, discipline is not a problem in China. China just executed four people for committing bank fraud. Two of them were from the bank's management team.

The fraud they committed appears to be your garden variety accounting embezzlement; however, the discipline was extreme. It appears that they were put to death for embezzling a mere \$15,000,000. How they were killed was not disclosed—like that matters. Are you kidding me? When you start enforcing corporate compliance by killing people, you are going to get the wrongdoers' attention.

Compliance officers in China obviously have a much easier job than their American counterparts. In America, compliance officers are asked, "So what are the risks?" We pull out a bag of carrots and go to work. In China, the compliance officer pulls out a stick with a small explosive charge imbedded in a small piece of metal.

Every once in a long while I hear some one jokingly say

"Comply or Die." In China it's no joke. In America we have seven elements. We work very hard on all of them.

In China, I assume they have one element to their compliance programs, "Just Shoot Them." Who needs education when there are dead people lying outside the building? This really is not as amusing or unrelated to the U.S. as one might think.

There is a serious message hidden here for American corporations. Do you do business in China? Even if you are squeaky clean, you have to ask yourself one question? "Do you feel lucky?"



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What if you unknowingly partner with a company that commits fraud?

What if the Chinese investigatory tactics are like their disciplinary tactics, rash and excessive? This brings a whole new perspective to the profession of compliance and highlights the potential need to think globally.

The story this article is based on was reported on September 13 by MSNBC: <http://www.msnbc.msn.com/id/5999223> ■