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Chief Compliance Officer
AT&T, Dallas, TX

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an interview by Adam Turteltaub

Meet David S. Huntley

David S. Huntley (david.huntley@att.com) was interviewed in May of 2017 by **Adam Turteltaub** (adam.turteltaub@corporatecompliance.org) Vice President, Strategic Initiatives and International Programs at SCCE, based in Minneapolis, MN.

AT: There are so many things I want to discuss with you; it's kind of hard knowing where to start. Maybe the best place is with your 23 years at AT&T. You spent most of your career in the Legal department, but you also spent significant time holding senior positions in different business units leading thousands of people. That must have had an impact on

how you look at ethics and compliance. What did your time in the business units bring to your ethics and compliance position?

DH: I've been fortunate to work in and lead a variety of teams across the business—external affairs, wireless operations, and mergers and acquisitions to name a few. My experiences included leading a large team of employees dedicated to delivering outstanding customer service for our mobility business. This range expanded my perspective. I've been in the trenches and understand the demands, pressures, and expectations of these different business roles.

It also taught me a lot about people. I observed what motivates them, what drives their decision-making, and what might present a tempting shortcut. My biggest takeaway was that people need to feel empowered. When you're not empowered, you're waiting to be told what to do. Good leadership gives people a license to figure it out.

But what affected my view on integrity and ethics the most happened long before I joined AT&T. That is my father's influence. Growing up, I observed my father conduct himself with a level of dignity that commanded respect. He had a trademark of integrity. No one told him to act that way—it came from within. He was motivated by a personal desire to *just do the right thing*. And that principle has stayed with me throughout my life.

AT: Being able to see things from the front-line perspective must make you empathetic to the challenges employees encounter when face-to-face with ethics and compliance issues, but that doesn't mean you can give them the okay to blink and look away. How do you let people know that, no matter what, ethics and compliance responsibilities must be lived up to?

DH: We hire and grow employees to remember "YOU are the company." It only takes one individual lapse to tarnish our reputation. Every employee represents who we are and how we do business—that's a sacred responsibility no one should take for granted.

The whole employee base needs to be empowered to drive a culture of integrity and

trust. At AT&T, we adopted a simple mantra: *Just do the right thing*. It's an inherently simple concept. Often, people already know what's right. If you tell 6-year-olds to *just do the right thing*, they know what that means. The same thing applies to 16-year-olds leaving the house on a Saturday night.

Growing up, I observed my father conduct himself with a level of dignity that commanded respect. He had a trademark of integrity. No one told him to act that way—it came from within.

This concept places the power in the hands of the employees. An ethical corporate culture gives them the confidence to make the right decisions quickly and boldly, which leaves more time to drive results.

I don't want to over simplify. There are moments when we truly don't know what to do. That's why a values-based

code of business conduct, coupled with an environment of continuous learning and asking questions, is crucial. As Justice Potter Stewart elegantly phrased it, "Ethics is knowing the difference between what you have a right to do and what is right to do." This approach empowers employees to rely on their values and stop to ask for help when the rules aren't clear or they don't remember them.

AT: You also spent a great deal of your career in the Legal department. How have you found Compliance to be different than Legal?

DH: Both Legal and Compliance are designed to protect the company, but each department approaches it a bit differently. Rather than being more transaction driven, Compliance covers culture and is all encompassing. It focuses on behaviors that exist in all that we do.

Traditionally, people viewed the Compliance team as the company enforcers. Today, we want to be known as a team that's here to help protect and keep the company safe. We're here to lend support. We're taking a simple message—*Just do the right thing*—and making it part of each employee's thought process as we evolve to be more ethics-focused.

AT: AT&T keeps the two departments separate. You report directly to the CEO. Were Ethics and Compliance always a standalone team? If not, when did the structure shift and why?

DH: At AT&T, the Corporate Compliance group previously reported into the Finance organization rather than the more traditional placement under the Legal department. In late 2014, I was named Chief Compliance Officer (CCO) and we significantly shifted our structure. We created a team that stands independently from any other department. In fact, I'm the first CCO to report directly to the CEO in AT&T's 140-year-plus history.

As an organization, we're here to create a culture that promotes ethical conduct and upholds our commitment to comply with the law. We are a support team; we provide oversight and coordinate efforts across our company to help them get it right. It's not just compliance. It's compliance and ethics. We emphasize the importance of *Just do the right thing* because when employees know what's right, and it's personal, they are truly empowered.

AT: Do you also meet regularly with the board? How often do you meet and what is your role?

DH: The AT&T Board of Directors takes ethics and compliance very seriously. One of the ways they demonstrate this commitment is ensuring that, as CCO, I have a seat at their table. I have the privilege of meeting with the board regularly and reporting on relevant matters as needed. We all see the headlines—ethics and compliance are front and center in the news. It proves good practices can drive business value. That has not been missed by our board, and I believe an engaged and informed board is vital to a truly successful business.

AT: It's great that you have direct access, but what are the risks? I'm sure you don't want to go to them too often, or for that matter, not enough. How do you judge when is the time to reach out and when is the time not to?

DH: I'm in the room for every board meeting, have a seat at the table, and interact directly with board members. That access is invaluable. My philosophy is, the more transparent we are and the more we communicate, the better. That said, it's also important when you have the floor to be concise, be relevant, and be timely.

I work closely with our board's Audit Committee, which has compliance oversight responsibilities. Beyond the regular reporting schedule of the committee, we also provide topical updates when appropriate. Because we proactively identify potential issues and evaluate the risk to make sure our own house is in order, we are prepared for timely discussions. When a compliance or ethics issue—good or bad and regardless of company or industry—makes headlines, we talk about it. Those opportunities let us check ourselves on the issue and brief the board on our own policies and safeguards.

AT: For a lot of ethics and compliance officers, communicating to the board

directly is relatively new. What advice would you give them for making the most of the board's time, and for getting the board to focus on the right things?

DH: Whether you have a seat at the table already or are working to get one, my advice is to focus on demonstrating value. Illustrate the value of compliance and ethics to the company. Show the value of having a representative voice in the room. Be articulate. Prepare for every meeting and be ready with a relevant point of view.

As compliance professionals, we know the value of building an ethical culture. Research shows that in an ethical business environment, your people work harder and stay with you longer, your customers trust you, and your business ultimately makes more money. The key is demonstrating that value and what it means to your specific business or industry. In my case, our CEO understands and appreciates the value of the CCO to our whole company. That endorsement and support is vital.

AT: Let's switch gears and talk about the workforce. I saw online that AT&T has more than a quarter of a million employees, and many of them are in the field all day. How do you effectively reach them?

DH: We're working to change the perception of compliance from being an annual box-to-check to being part of employees' everyday lives. It's a simple, two-step approach.

First, we strive to make sure the rules are clear and accessible. However, we know there are instances where there are no specific rules to follow, and that's where values come in, which is the second part—we're empowering employees to use values and *just do the right thing*.

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A key driver to accomplish our approach and effectively reach employees is providing tools that are accessible, so they can stop to ask for help along the way. We're leveraging technology and going mobile with our resources wherever we can. We've launched interactive compliance training

for all levels of the company. We strive to reach as many employees in person as we can, particularly at the critical middle management levels. Even our Code of Business Conduct is interactive and can be accessed externally. We continue to roll out new ideas, such as our Ethics@Work toolkit, which organizes resources and messaging to help managers own their team's compliance and ethics culture.

AT: And how do you make it easy for them to reach you?

DH: There are many ways employees can reach us with their concerns and questions, or to confidentially report an issue. "Ask Compliance" is an employee resource we promote regularly where employees can get answers by phone or email. And, of course, there is a hotline employees can call to report issues.

Another is an interactive online tool where employees can walk through different situations they may be experiencing. By answering a series of questions, users receive guidance on the appropriate action to take, or if more details are needed, the resources that can help. This tool has generated more than 120,000 uses since its launch in January 2016, illustrating that most employees want to do the right thing—but we must make it easy for them to know what that is.

We've also focused on making our Compliance team members more visible and accessible whenever and wherever we can. We encourage direct engagement by leveraging our relationships with the different business unit teams. As we build on our role, we continue to raise our profile as a go-to resource.

AT: A related and important question is, how do you ensure that the culture extends throughout the organization?

DH: We do a lot of work with our Employee Communications team to make sure the *Just do the right thing* mantra stays front and center. We highlight stories of employees doing the right thing and host various events and activities, not just at certain times, but in a steady drum beat through the year.

We're empowering each business unit to own and drive our ethical culture by providing tools, resources, and a close working partnership. It's powerfully effective in reaching employees when you have consistent messaging from corporate

leadership, the Compliance team, and all levels of business unit leadership.

AT: One of the things that must make your job interesting is the constantly changing nature of your industry. Traditional phone companies are in the Internet, mobile, entertainment, and

technology space. Many of those businesses are highly regulated, and all of them are quickly evolving. How do you stay on top of the changes?

DH: In Thomas Friedman's latest book *Thank You for Being Late*, there's a quote from Dov Seidman. It says,

"The world is not just rapidly changing, it is being dramatically reshaped—it is starting to operate differently in many realms all at once. And this reshaping is happening faster than we have yet been able to reshape ourselves, our leadership, our institutions, our societies and our ethical choices."

There's been a similar reshaping in the way businesses operate. We can now target content and products with incredible accuracy. We can segment customers and markets in ways we never imagined. But, as we implement new ways to meet customers' needs, our intentions behind how we develop these innovations are critical. We must have a foundation of integrity in our approach.

I often remind our leaders to ask themselves, "What would people think if our intentions were on display for all to see?" Transparency and integrity must guide

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our decisions. That's non-negotiable. When customers know integrity is embedded in our strategy, they trust us and, in turn, buy our products and services.

We are committed to following the law—following the spirit of the law. Our program is designed to prevent and detect issues, and we're nurturing a culture that promotes ethical conduct. We believe this is the right approach to preventing bad things from happening, and subsequently, helping the company's bottom line.

AT: Do you think those efforts can help smooth things over or risk creating more friction?

DH: Our main message—*Just do the right thing*—is something that anyone from any company can understand. It's a simple message, but one we believe is the foundation for all we do—especially in such a rapidly evolving industry.

We have to be engaged and thoughtful about how we do business. We must be flexible and move fast, but never so fast that we don't do things the right way. Ultimately, cutting corners will cost more, damage your brand, and jeopardize the trust of your customers. Legendary basketball coach John Wooden said it perfectly, "If you don't have time to do it right, when will you have time to do it over?"

AT: One of the greatest challenges ethics and compliance professionals face these days is data privacy. The public is demanding more and governments are demanding more. How does your organization help AT&T navigate this landscape successfully?

DH: The short response is *transparency* and *choice*. Customer privacy is a fundamental commitment at AT&T. We safeguard our customers' data using encryption and other security controls. We strive to make it easy for

them to understand our policies and give them choices about how we use their information.

It begins by taking data privacy seriously. We have comprehensive programs with methods and procedures on how to handle data, which reinforces the importance of protecting our customers' and employees' information. We leverage the latest in technology whenever possible to reduce threats. In addition to always encrypting sensitive information, we also use technology to mask sensitive information so it is only visible when appropriate. We have strong authentication protocols and use advanced analytics to help identify behavior that might indicate customer or employee information is at risk.

AT: For all the fears of protecting data from hackers, we found in a survey last year that the most common cause of data breaches is employee error, such as lost laptops and flash drives, even paper files. How do you help your workforce understand and manage this risk?

DH: We provide the necessary oversight and policies to ensure we are staying ahead of known and emerging risks. As with all other compliance risks, we take a holistic approach so we aren't operating in isolation. Ongoing education and top-of-mind awareness for employees is fundamental to our coordinated efforts. For example, our Chief Security Office has a creative internal campaign called, "You are the Firewall." Through that program, video segments introduce security concepts and situations that employees may experience in real life to help drive the security best practices message home in a fresh, and sometimes humorous, way.

We work closely with our technology teams, using many of the mitigation procedures used to protect sensitive data to also minimize accidents. For instance, we aggressively encrypt customer and certain

employee sensitive data. That includes encrypting the hard drives on laptops—encrypting information in systems and laptops makes it inaccessible if they are lost or stolen.

When we protect customer and employee data, we protect our brand and reputation. Nothing is more important.

AT: Finally, how do you see the Ethics and Compliance profession evolving over the next few years?

DH: Our world is changing quickly and dramatically, evolving with new scenarios and ethical situations we've never faced before as

companies and as individuals. I expect the trend of compliance organizations reporting to the CEO and having direct access to the board of directors will continue.

For a Compliance department, it will be impossible to train employees for every situation. Even if you attempted to, your curriculum would be outdated before it's complete. That's why I reiterate the importance of empowering employees—simply ask them to think about what's right and give them the tools to figure it out.

AT: Thank you, David, for sharing your insights. *

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