**Course Syllabus**

6930 23552 Compliance Professor Sokol

Fall Semester 2019 Office: 357

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August 4, 2019 Version

**Course Description**

The principal objective is to educate students as to the critical role of legal compliance in conducting international business. Students will gain an understanding of the basic laws and practical guidance on advising business clients. Upon completion, students should know the essential requirements of a successful corporate compliance program.

**Class Overview**

This course explores and analyzes the statutory and regulatory compliance challenges for firms across industries.

I have developed an online course pack of the Harvard Business School case studies that you will need to purchase. Once you register for the course, I will send out an email link to the case studies, which includes purchasing instructions. All other materials are free on the web and hyperlinked below. You are to purchase all of the readings.

In terms of the flow of the class, I will lecture first each day to provide an overview of the material and to provide a conceptual framework based on the law and policy of the subject covered. Then, we will undertake an analysis of the reading and/or case study for the remainder of the class session. Class attendance is required and all readings should be completed before the relevant class session.

**Course Website:**

Canvas

**Required Text:**

Case studies (for purchase – see below) and readings (see link for purchase here: <https://hbsp.harvard.edu/import/645126>)

**Prerequisite Knowledge and Skills:**

This class requires no basic business law knowledge though corporations/Business Enterprises Survey is a plus.

**Purpose of Course:**

This course combines much of the existing coverage in both business organizations and corporations into a single course. This combined course will cover the general themes of business organizations (agency, partnership, LLCs, LLPs). It will also cover various issues in corporations (organization and structure of a corporation, financial rights of shareholders, closed corporations, control in publicly held firms, duties or care and loyalty, litigation to enforce directors' duties, mergers and acquisitions, and the regulation of disclosure, fraud and insider trading). Much of our time will be devoted to the complex web of fiduciary obligations created by courts to regulate these organizations. We will also cover some securities related issues that do not get covered in the securities class.

**Course Goals and/or Objectives:**

Students who successfully complete this course will be able to:

* Synthesize the forces – both legal and non-legal – that motivate compliance;
* Interpret, analyze, and assess compliance issues;
* Recognize how law impacts company responses to compliance; and
* Identify innovative solutions to compliance problems.

**How This Course Relates to the Student Learning Outcomes in the College of Law:**

This course builds upon core competencies in the business law curriculum to address compliance and risk management issues. We will address issues of identifying different types of legal and regulatory risk, designing compliance programs and identifying strengths and weaknesses of a number of company responses through a series of case studies.

**Course Policies:**

1. Attendance Policy. Because of the short nature of the compressed course, attendance at each session is mandatory.
2. Let me address a subject that has agitated a great many electrons on the law professor blogs and listservs: the use of laptop computers in class for things other than taking notes or looking at the statutes.   I think it is anachronistic and honestly, beneath me, to do anything so draconian as to force students to write instead of type (I work almost exclusively on a keyboard). I am going to work very, very hard to teach this complex material in a way that makes sense and highlights the theory and practice in a digestible way.  I hope you reciprocate by using (i.e., not using) your electronic window to the world and others responsibly while in class.

**Exam Policy:** There is no exam. The class grade will be based on the responses to the questions on the readings identified in the syllabus (80% of the grade) and class participation (20% of the grade). Responses are due prior to class via submission (upload) on Canvas. All late assignments will face a grade reduction penalty.

**Course Technology:** We will use Canvas. Please join the Canvas site.

**UF Policies:**

**Course Evaluations:**

Students are expected to provide professional and respectful feedback on the quality of instruction in this course by completing course evaluations online via GatorEvals. Guidance on how to give feedback in a professional and respectful manner is available at <https://gatorevals.aa.ufl.edu/students/>.  Students will be notified when the evaluation period opens and can complete evaluations through the email they receive from GatorEvals in their Canvas course menu under GatorEvals or via <https://ufl.bluera.com/ufl/>.  Summaries of course evaluation results are available to students at <https://gatorevals.aa.ufl.edu/public-results/>.

**University Policy on Accommodating Students with Disabilities:** Students requesting accommodation for disabilities must first register with the Dean of Students Office (<http://www.dso.ufl.edu/drc/>). The Dean of Students Office will provide documentation to the student who must then provide this documentation to the instructor when requesting accommodation. You must submit this documentation prior to submitting assignments or taking the quizzes or exams. Accommodations are not retroactive, therefore, students should contact the office as soon as possible in the term for which they are seeking accommodations.

**University Policy on Academic Misconduct:** Academic honesty and integrity are fundamental values of the University community. Students should be sure that they understand the UF Student Honor Code at <http://www.dso.ufl.edu/students.php>.

**Netiquette: Communication Courtesy:** All members of the class are expected to follow rules of common courtesy in all email messages, threaded discussions and chats. See <http://teach.ufl.edu/docs/NetiquetteGuideforOnlineCourses.pdf>

Getting Help:

For issues with technical difficulties for E-learning in Sakai, please contact the UF Help Desk at:

* [Learning-support@ufl.edu](mailto:Learning-support@ufl.edu)
* (352) 392-HELP - select option 2
* <https://lss.at.ufl.edu/help.shtml>

\*\* Any requests for make-ups due to technical issues MUST be accompanied by the ticket number received from LSS when the problem was reported to them. The ticket number will document the time and date of the problem. You MUST e-mail your instructor within 24 hours of the technical difficulty if you wish to request a make-up.

Other resources are available at <http://www.distance.ufl.edu/getting-help> for:

* Counseling and Wellness resources
* Disability resources
* Resources for handling student concerns and complaints
* Library Help Desk support

Should you have any complaints with your experience in this course please visit <http://www.distance.ufl.edu/student-complaints> to submit a complaint.

Statement related to workload/ABA Standard 310:

· Students should expect to spend, on average, approximately two hours preparing for every hour of class.

**Out of Class:**

I am almost always available by phone or e-mail or in my office, but formal office hours will be Tuesday from 4-5pm.

**Policies:**

See generally <http://www.registrar.ufl.edu/catalog/policies/regulationgrades.html>.

**Disability Syllabus Statement**

The University of Florida is committed to providing equal educational access to students with disabilities. As you are developing and/or updating your syllabi for the spring semester, please take a moment to review the university’s “[Policy on Course Syllabi](http://www.aa.ufl.edu/Data/Sites/18/media/policies/syllabus-policy-current.pdf)” which specifies the inclusion of the following recommended statement related to accommodations for students with disabilities:

“Students with disabilities requesting accommodations should first register with the Disability Resource Center (352-392-8565, [www.dso.ufl.edu/drc/](http://www.dso.ufl.edu/drc/)) by providing appropriate documentation. Once registered, students will receive an accommodation letter which must be presented to the instructor when requesting accommodations. Students with disabilities should follow this procedure as early as possible in the semester.”

A disability syllabus statement serves to open the lines of communication between an instructor and a student by making the student feel included when approaching an instructor regarding accommodation needs and/or disability-related concerns.

Additional resources for faculty can be found on the Disability Resource Center’s Instructor Resources webpage (<https://www.dso.ufl.edu/drc/faculty/resources-for-instructors>). Please contact the Disability Resource Center at 352-392-8565 or via e-mail at [accessuf@dso.ufl.edu](mailto:accessuf@dso.ufl.edu) if you have any questions.

**Day 1**

Lecture

What is Compliance?

Fiduciary Duties – Review (Care, Loyalty, Oversight)

Case studies

Internal Investigations - Anne T. Lawrence; Randall D. Harris; Sally Baack, Unauthorized Disclosure: Hewlett-Packard's Secret Surveillance of Directors and Journalists, NA0050-PDF-ENG

**Questions:**

What were the problems facing the HP board?

How would you evaluate the board’s actions?

What arguments would Perkins and Dunn make respectively?

If you were Hurd on the day of the Congressional hearing, what steps do you take now regarding compliance?

Enron - HBS Case Study - Innovation Corrupted: The Rise and Fall of Enron (A), Malcolm S. Salter

**Questions:**

What made Enron so appealing for MBA students?

How sound was the business model? Was it based on non-compliance?

What explains the strategic misadventures by Enron?

How did Internal systems and processes support or inhibit Enron’s strategy?

**Day 2**

Satyam - HBS Case Study - Corporate Governance Failure at Satyam - Vanita Yadav, HKU889-PDF-ENG

**Questions:**

Discuss the Circumstances under which Satyam’s fraud was exposed. What were the reasons for the fraud?

What were the role of internal controls in the prevention of the fraud?

What are the lessons to be learned from the behavior of the audit committee, internal and external auditors in this case?

How do we explain the Chairman’s resignation letter?

How can the board prevent such fraud? Do we need regulation instead?

Lecture

Creating an ethical culture

Reading on ethics and compliance

Killingsworth, Scott, Modeling the Message: Communicating Compliance Through Organizational Values and Culture (October 1, 2012). Georgetown Journal of Legal Ethics, Vol. 25, No. 4, 2012, available at <http://ssrn.com/abstract=2161076>

Why Compliance Programs Fail, Hui Chen, Eugene Soltes (Harvard Business Review) R1802J-PDF-ENG

**Questions:**

What makes for an ethical firm?

How do our assumptions on behavior change how to design a compliance program relative to traditional rational actor models?

How do ethics matter?

How do we account for the failure of compliance programs?

**Day 3**

FCPA Reading and Case Study

Lecture

Basics on FCPA

Reading

Siemens case study - Fighting Corruption at Siemens, Paul M. Healy; Djordjija Petkoski – Interactive Harvard Business School case

Criminal Division of the DOJ and Enf’t Division of the SEC, A Resource Guide to the U.S. Foreign Corrupt Practices Act (2012) [https://www.justice.gov/sites/default/files/criminal-fraud/legacy/2015/01/16/guide.pdf] pp. 2-35, 52-63, 68-77

**Questions:**

How did Siemens get into this situation?

Evaluate the change at Siemens. Are these changes going to be effective?

In the training materials are two situations. How would you handle them?

Financial Compliance

* KPMG, *Audit Committee Trends*, <https://home.kpmg.com/content/dam/kpmg/pdf/2015/10/audit-committee-trends.pdf>
* *Skim* HSBC Information and Deferred Prosecution Agreement, <https://www.justice.gov/sites/default/files/opa/legacy/2012/12/11/hsbc-info.pdf> <https://www.justice.gov/sites/default/files/opa/legacy/2012/12/11/dpa-executed.pdf>

**Day 4**

Global perspective: HBS Case Study

Designing a Compliance Program at AB InBev, Eugene Soltes, HBS case study

**Questions:**

What parts of the compliance program do you think will be effective?

How would you evaluate the effectiveness?

What are the most challenging risks?

Lecture

Global Antitrust Cartel Overview

Global Antitrust Cartels

Compliance program and Air Cargo - Bergman, Howard and Sokol, D. Daniel, The Air Cargo Cartel: Lessons for Compliance (September 29, 2014). ANTI-CARTEL ENFORCEMENT IN A CONTEMPORARY AGE - LENIENCY RELIGION (Caron Beaton-Wells, editor), Forthcoming, available at <http://ssrn.com/abstract=2465012>

**Questions:**

What are the structures that made compliance more important at Lufthansa relative to other airlines?

What did the legal and compliance team do well?

**D. Daniel Sokol** is the University of Florida Research Foundation Professor of Law at the University of Florida Levin College of Law and Senior Of Counsel at Wilson Sonsini Goodrich & Rosati.  Among his books is the [*Global Antitrust Compliance Handbook*](http://ukcatalogue.oup.com/product/9780198703846.do) (Oxford University Press 2014).  His Handbook of Compliance (two volumes) is under contract with Cambridge University Press. He has written articles on compliance (including teaching compliance) as well as advised companies on their compliance strategies.