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Embracing Employment Law as Part of the Corporate Compliance Intiative: The Expanding Jurisdiction of the Chief Compliance Officer

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I. Introduction

Although no one ever said that it was easy being a corporate officer or sitting on the Board of Directors, the challenges associated with those positions have grown exponentially in the past few years. One need only look to Bernard J. Ebbers, Bert Roberts and the 10 other former Board members of WorldCom for evidence that they are now operating under increased scrutiny from investors, the government, and the public at large. WorldCom, of course, collapsed in 2002 after it was revealed that the company engaged in an $11 billion accounting fraud to inflate earnings and hide expenses. On July 14, 2005, Ebbers was sentenced to 25 years in jail for his role in WorldCom's demise. Judge Barbara S. Jones said the penalty was appropriate because Ebbers was the instigator of the fraud.[1] Earlier in the year, Bert Roberts, agreed to pay $4.5 million out of his own pocket to settle a class action lawsuit brought by WorldCom's investors alleging that the Board members should have been aware, in advance, of the fraud that undid WorldCom in 2002. The twelve former members of the Board have agreed to pay $24.75 million in total to settle all of their suits. Insurers for the twelve Board members have also agreed to pay an additional $36 million. If that wasn't bad enough, Roberts and the other Board members still face the prospect of defending themselves against other civil suits relating to WorldCom's collapse.[2]

The business community has undergone profound changes as companies have been severely damaged through failed legal compliance. As a result, companies recognize that compliance programs are essential in today's climate. Generally, the "compliance movement" has been emanating from two centers within the company—the CEO and the Board of Directors Audit Committee. Typically, corporate compliance programs have been filtered down from those two centers to the General Counsel and the Chief Financial Officer, and now the Chief Compliance Officer (CCO), or Chief Risk Officer (CRO). Even though these departments are spearheading the compliance movement, every corner of a company will be impacted by this compliance movement, including Human Resources (HR) and corporate counsel responsible for employment law concerns. This is because failing to fully comply with federal and state employment laws could leave a corporation liable for millions of dollars. Thus, employment law must become a fundamental component of any comprehensive and therefore effective compliance program.

II. Effective Compliance Policies and Programs Are a Legal Necessity: Case Studies from Employment LAW

Recent case law demonstrates that compliance measures implemented at the HR-level can shield a company from liability altogether or limit the potential damages available to plaintiffs. Effective employment law compliance measures must include routine self-audits of the company's employment law policies and adequate employment law training to employees on issues such as race, national origin, religion and sex

[1] Ken Belson, *WorldCom Head Is Given 25 Years For Huge Fraud*, N.Y. Times, July, 14, 2005 at A1.

[2] Erin McClam, *Final World Com Ex-Director Settles Suit*, ASSOC. PRESS, Mar. 24, 2005, available at http://news.findlaw.com/ap/f/66/03-22-2005/667600134be67776.html.

discrimination and harassment

A. Equal Employment Opportunity Policies

Under federal Title VII law, an employer can avoid harassment liability by showing that (1) it "exercised reasonable care to prevent and correct promptly" any harassing behavior, and (2) the employee "unreasonably failed to take advantage of any preventive or corrective opportunities provided by the employer or to avoid harm otherwise."[3]

By contrast, in California employers face strict liability for harassment by supervisors under the Fair Employment Housing Act (FEHA).[4] However, for purposes of limiting damages under FEHA, an employer may show that it took appropriate steps to prevent and address harassment, but that the employee unreasonably failed to take advantage of these protections.[5] Therefore, under both federal and state law, an employer who proactively provides harassment training and institutes an effective harassment policy may protect itself from liability or substantial damages.

One need not look far to find instances where a company's failure to maintain an effective harassment policy has resulted in substantial costs. In *EEOC v. Consolidated Freightways Corp.*,[6] the Equal Employment Opportunity Commission (EEOC) filed a Title VII lawsuit alleging Consolidated Freightways, formerly one of the largest freight carriers in North America, subjected black employees at its Kansas City, Missouri facility to a hostile work environment because of their race. The harassment included the presence of nooses and racist graffiti in the workplace, physical assaults of African-American workers by Caucasian coworkers, threats of violence toward African-American workers, vandalism of African-American employees' property, and disparate discipline of African-American employees. According to the EEOC, the company conducted no investigation into the matter even though it was aware of the allegations. The parties settled the case in January 2005 for a total of $2.75 million.

Similarly, in November 2004, retailer Abercrombie & Fitch Stores, Inc. agreed to a $50 million consent decree to settle three lawsuits alleging that the company sought to promote a "certain look," that was largely all-white, both in its advertisements and its workforce.[7] In addition to paying $50 million, Abercrombie and Fitch agreed to implement major changes in its hiring, promotion, job assignment, and marketing practices. The reforms will include regularly reviewed benchmarks for hiring and promotion of women, Latinos, African-Americans, and Asian-Americans, a prohibition on targeting fraternities, sororities, or specific colleges for recruitment purposes, and several other changes aimed at promoting diversity within the company.

In July 2004, the Boeing Co. agreed to pay $72.5 million to settle a class action lawsuit whereby approximately 29,000 female employees claimed they suffered discrimination in pay, promotions, overtime, assignments, bonuses, and other conditions of employment.[8] In addition to the large monetary amount, the Boeing Co. must now undergo an extensive review of its company policies to determine whether there exists an illegal disparate impact on female employees. The particular policies that the Boeing Co. must review, and revise if necessary, are: job descriptions, salary levels, performance evaluation processes, employee compensation policies and procedures, internal complaint procedures, hourly overtime policies, and promotion, interview, and testing processes.[9] The costly settlements in these cases clearly demonstrate the importance of continued review of internal policies and procedures.

B. The Importance of Employment Law Audits, Including Compliance with Wage and Hour Requirements

As demonstrated above, self-audits of employment policies (e.g., analysis of employee compensation policies and procedures) to identify potential problems before claims are filed, limit the risk of future litigation. In particular, self-audits can eliminate the possibility of future wage and hour class action lawsuits. In June 2004, Longs Drugs Store Corp. agreed to pay $11 million to resolve two law suits alleging that it violated California's wage and hour laws by failing to pay overtime earned by store managers in approximately 400 locations across the state.[10] Under California law, managers who are exempt from wage and hour protections can receive overtime pay if they spend more than 50% of their time performing nonexempt duties. The named plaintiffs in the Longs case each declared that they routinely worked more than 10 hours of overtime per week without being paid, and that they spent more than half of their time performing non-managerial tasks. Longs denied liability, but settled in order to avoid protracted litigation. This case illustrates how conducting regular self-audits to ensure compliance with state and federal laws could have prevented the Longs' suits from ever being filed.

Abercrombie & Fitch, whose $50 million settlement over EEOC policies was discussed above, also faced difficulties on the wage and hour front.[11] The California state Division of Labor Standards Enforcement alleged that Abercrombie's requirement that its employees buy Abercrombie clothes, albeit at a discount, without reimbursement, reduced the employees' pay below the state's minimum wage requirement. Under the settlement, Abercrombie agreed not to compel or coerce any California worker to buy and wear its clothes,

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[3] *Faragher v. City of Baca Raton*, 524 U.S. 775, 778 (1998).

[4] *Department of Health Services v. Superior Court*, 31 Cal. 4th 1026 (2003).

[5] In fact, California now requires harassment training and education for all supervisory employees. *See* discussion *infra* Part V.

[6] No. 4:02-CV-00519 (W.D. Mo. Jan. 21, 2005).

[7] Daily Lab. Rep. (BNA), Nov. 17, 2004.

[8] *Beck v. Boeing Co.*, No. C00-0301P (W.D. Wash.) (consent decree signed July 16, 2004).

[9] Daily Lab. Rep. (BNA), July 19, 2004.

[10] Daily Lab. Rep. (BNA), June 11, 2004.

[11] Daily Lab. Rep. (BNA), June 25, 2003.

nor to discourage, penalize, or discriminate against any worker for wearing a non-Abercrombie item to work. As demonstrated in both instances, routine wage and hour audits, as part of an effective compliance function, can protect the company from litigation.

III. Effectively Utilizing HR and Legal Counsel to Integrate Employment Law Into the Compliance Function

Usually companies recruit Chief Compliance Officers (CCOs) with backgrounds in fields such as risk management, finance, regulatory affairs, and other areas of the law outside of employment law. Maybe this is why many CCOs have not yet realized the necessity of integrating employment law into their compliance programs, nor the full depth of HR's and corporate counsel's roles in carrying out this endeavor. Typically HR has had limited interaction with the compliance function. Unlike HR, corporate counsel has been utilized in ensuring that compliance efforts are effective in light of the new government regulations. However, the role of both HR and corporate counsel in a company's compliance efforts should be substantially expanded.

A. The Evolving Corporate Compliance Revolution

CCOs often have general authority over a designated compliance committee. Appointing representatives from different departments within an organization to this committee—including employees from areas such as human resources, finance, legal, corporate communications, risk management, internal audit, ethics, and operating unit management—is a cost-effective method of supporting a company-wide infrastructure of compliance. Each department has a role in assisting the CCO in implementing the company's compliance program as it relates to their individual area of extended knowledge.

The compliance revolution started in the areas of financial management and corporate governance. However, it is only a matter of time before it reaches the shores of HR and corporate counsel. The cover story in the January 2005 issue of HR Magazine underscores both the current isolation of HR and the inevitability of its inclusion and measurement in mainstream corporate compliance systems. "Why Wall Street Is Blind to the Value of HR" reports that "change is coming" regarding the way HR and HR compliance is valued by Wall Street. The article explains that a growing portion of investors are refusing to fund "any firm—including those on Wall Street—that does not have demonstrable, high quality HR practices." This is because, currently, the vast majority of compliance tasks within an organization deal with employees; the number of laws, regulations, and requirements faced by the corporation is usually greatest in the HR field (excepting certain highly regulated industries such as pharmaceutical manufacturers). Companies that ignore or minimize HR's and corporate counsel's roles in the compliance framework regarding employment laws are making a near fatal mistake.

HR and corporate counsel touch upon virtually every aspect of an organization's operation, thus both departments have a natural role in the compliance movement. For example, HR is responsible for background checks and other screening of new hires, employee orientation, periodic training, promotions to sensitive positions, disciplinary policies, corrective actions, non-retaliation and protection of whistleblowers and exit interviews. Imagine that an employee is accused of impermissibly sharing his employer's trade secrets. In this situation, HR would be responsible for: (1) administering the policy by ensuring that employees are aware of the policy and its requirements; (2) investigating whether such a violation did in fact occur; (3) providing discipline for the employee if there was a violation; and (4) ensuring that the policy is applied consistently and even-handedly. Meanwhile, contemplate the impact of a national class action for race discrimination or class-wide claims of maintaining an unlawful glass ceiling. These are not hypothetical or rare events, but actions that are being filed in courts across the country.[12]

Corporate counsel with expertise in employment law can play an essential role in any effective compliance effort as well. Corporate counsel should be utilized to take an active lead in ensuring that all legal requirements are being addressed, and counsel should be a resource for investigations of noncompliance. Counsel should also be involved in decisions about performing assessments of the company's compliance programs, as it is critical that the company turn to counsel for advice when public communications about the program are being developed.

IV. The Keys to Implementing a Successful Compliance Program

CCOs must embrace employment law as a necessary component of any thorough and therefore effective compliance program. In order to successfully integrate employment law into the compliance function, HR and corporate counsel's role in the day-to-day lives of employees and expertise in employment law must be utilized. First however, HR and corporate counsel must be brought into the world of corporate compliance and accustomed to the compliance function. HR and corporate counsel will need to understand, embrace, and implement the language of the C-level executives. The Open Compliance and Ethics Group (OCEG) supplies CCOs, HR and corporate counsel with a common language that can help to create a fully integrated compliance program.

Another tool that can be helpful for HR and legal as they become a part of the compliance function are codes of conduct. Expanding codes of conduct to include the areas of legal compliance typically handled by HR will assist HR and corporate counsel in identifying important compliance issues.

A. Learn the Language of Compliance Through OCEG

One of the challenges facing employers seeking to implement compliance functions, or expanding such measures, is the present need for a common language with regard to the world of compliance measures. OCEG provides employers with a structured approach, common language, and objective best practice model that are applicable to organizations of all shapes and sizes. OCEG is a not-for-profit organization formed by business leaders from a wide range of industries for the purpose of creating compliance and ethics guidelines for employers to use in building compliance and

[12] *See Employment Class Actions: A Tool In Transition*, THE NATIONAL EMPLOYER®, Chapter 9 (2005).

ethics programs. In furtherance of its mission, OCEG put together guidelines for employers that incorporate existing standards under the Federal Sentencing Guidelines (FSGs), the Committee of Sponsoring Organizations (COSO) framework, and at least a dozen other frameworks that address internal control, risk management, and quality management.

OCEG's guidelines are designed to address the full lifecycle of planning, implementing, managing, evaluating, and improving integrated compliance and ethics programs. In short, the OCEG framework focuses on four processes: (1) developing an ethical culture; (2) planning a compliance and ethics program; (3) responding to compliance risks through the staffing, implementation, and management of the compliance and ethics program, and (4) evaluating the effectiveness of the compliance and ethics program. OCEG developed these guidelines with the intent to make them flexible to satisfy the individualized needs and desires of various employers.

With the adoption of this initial framework, the stage has been set for the full development of twelve subject-matter specific domains governing the entirety of corporate compliance. Perhaps prophetically, one of these domains is Employment and Labor Law, which is in turn being divided into as many as fourteen subtopics. OCEG will roll out their Guidelines for Employment Compliance on September 29th and 30th at a Phoenix, Arizona two day conference. In each of the twelve domains legal requirements are being listed, external requirements, core practices identified, and advanced practices described.

OCEG guidelines can be of great use. For example, corporate counsel and HR may rely on the guidelines as a checklist to compare with the company's actual policies and practices. Corporate counsel and HR can also use the guidelines as a roadmap for improving the company's employment law compliance program. Thus, OCEG provides a great opportunity for employers to institute effective and comprehensive compliance programs. Much more detailed information is available directly from OCEG regarding their mission, their resources, and their technology.[13]

B. Use the Company's Code of Conduct to Address HR Policies

As a result of the compliance requirements stemming from the Federal Sentencing Guidelines (FSGs), Sarbanes-Oxley, Stock Exchange Listing Standards, and other similar governing statutes and regulations, employers must institute effective compliance and ethics policies and procedures. Codes of conduct can assist employers in fulfilling that obligation by identifying the important compliance issues that employees confront and explaining how employees are to properly address those compliance issues.

While codes of conduct are not explicitly required under Sarbanes-Oxley, the implication is clear that they are now necessary for publicly-traded companies. Sarbanes-Oxley requires publicly-traded companies to disclose whether they have a code of ethics for their principal officers and requires audit committees of publicly held companies to establish procedures for receiving, and responding to complaints about accounting, internal accounting controls, and auditing matters. In addition, stock exchanges now mandate codes of conduct as a corporate governance requirement.

Many organizations adopted their code of conduct with special attention placed on corporate governance issues and legal compliance in financial reporting, insider trading, and antitrust. While these are critical areas of compliance, they do not include the vast areas of legal compliance typically handled by HR. Recently Littler Mendelson surveyed several hundred codes of conduct and found the average code had only a few sentences on equal employment opportunity issues. In at least one litigation handled by this author, plaintiff 's counsel argued to the trier of fact that the lack of such values in the corporate code of conduct showed a low priority for the enforcement of state and federal antidiscrimination laws.

Reviewing codes of conduct with an appreciation of core HR values, is a highly recommended undertaking. The code of conduct should be a master set of values that guide the entire organization. Recently Littler Mendelson and Shearman & Sterling undertook the development of a comprehensive code of conduct online learning program for Employment Law Learning Technologies. Vignettes were developed to teach and display key learning points associated with the many different codes of conduct in use. While appropriate weight was given to key topics such as insider trading, financial reporting, antitrust requirement, and corporate governance; more than half of the vignettes focused on HR-related issues. Without serious doubt, the vast majority of day-to-day ethical dilemmas and legal compliance challenges encountered in the workplace deal with employment law. In making a code of conduct a meaningful document for employees, it is essential that it be presented in the context of day-to-day workplace issues.[14]

To facilitate the above suggestions, HR should take a more active role in educating employees on their employer's code of conduct. But HR must do much more than simply distribute its code of conduct to its employees. In fact, the FSGs specifically reference the need to proactively communicate the organization's compliance and ethics programs by "conducting effective training programs." Accordingly, HR should be part of the compliance training program by supporting the delivery of training to employees, that includes the basics of the company's code of conduct and compliance program and directions as to how employees can recognize and respond to ethical dilemmas. Whether this is done in live training sessions or through high quality interactive on-line training, basic values will have the most meaning if explained in the context of day-to-day challenges that actually confront employees.

V. The Compliance Opportunities Associated with California's New Training Requirement (AB 1825)

On September 29, 2004, the nation's most comprehensive compliance statute became law in California. AB 1825 showcases the importance and breadth of HR compliance and provides HR and legal with an excellent

[13] *See* Open Compliance and Ethics Group information at www.oceg.org.

[14] *See* Employment Law Learning Technologies (ELT) at www.elt-inc.com/index.html.

model for compliance initiatives in general.

The Basics of the Bill

•By January 1, 2006, employers must provide two hours of sexual harassment training and education to all supervisory employees employed as of July 1, 2005.

•Applies only to organizations that regularly employ 50 or more employees.

•After January 1, 2006, employers must provide sexual harassment training and education to each supervisory employee once every two years and to each new supervisory employee within six months of their assumption of a supervisory position.

•The training must be of a *high quality* and conducted via "*classroom or other effective interactive training.*"

Failure to comply with AB 1825 does not render an employer automatically liable. Plaintiffs will argue, however, that not meeting the new training mandates is evidence of an employer's failure to take all reasonable steps to prevent harassment, and supports a punitive damages award. Likewise, complying with AB 1825 is not an automatic shield from liability for sexual harassment.

B. The Lessons of AB 1825 Parallel the Opportunities and Mistakes Associated with Many Corporate Compliance Programs

There is a common misconception that compliance simply means "follow the law." Indeed, companies that structure their compliance programs narrowly may inadvertently place themselves at greater risk. The following "mistakes" illustrate how an effective compliance program entails much more than a narrow focus on the mandates of AB 1825 (or similar such laws).

Mistake #1: We're Only Providing "Sexual Harassment" Training Because That's All AB 1825 Requires.

AB 1825 is not just about sexual harassment. It also requires training on discrimination and retaliation. Moreover, it specifically leaves in place all existing requirements to train on other unlawful forms of harassment and discrimination (such as age, race, and religion).[15] However, there is a danger that employers will focus too narrowly on AB 1825's mandate on sexual harassment training to the exclusion of other forms of unlawful harassment such as racial harassment, harassment based on age, national origin or disability, and harassment associated with one's religious beliefs. It would be a serious mistake to ignore the broader forms of harassment and discrimination prevention.

Comprehensive unlawful harassment training is so important that an employer may actually face a greater risk of liability and damages, including punitive damages, having conducted only sexual harassment training, than no training at all. What would you think if you were a juror in a race, age, religion, national origin, disability, or sexual orientation harassment case; where the employer had conducted extensive sexual harassment training, but no training on these other protected categories? You can be sure that plaintiff 's counsel in such a case will remind the jury (again and again) that the employer must not have found these concerns "important" as it intentionally chose not to train in these areas. Clearly, adding thirty minutes to the training, and integrating the full range of protected categories, is the *highly preferred* way of meeting the legal requirements and making a difference!

Mistake #2: We're Not Training Employees Because AB 1825 Only Covers Supervisors.

Non-supervisory employees in California and beyond need training for at least five critical reasons:

1. A review of federal case law suggests that both managers and employees must be trained to successfully establish an affirmative defense to harassment claims brought in federal court.

2. California Government Code section 12940(k) requires employers to take "all reasonable steps necessary to prevent discrimination and harassment from occurring." Basic harassment prevention training for all employees is part of a reasonable step, necessary to prevent workplace harassment and discrimination.

3. California employers may assert the doctrine of avoidable consequences as a defense under FEHA. This defense allows an employer to limit damages by proving that it took appropriate steps to prevent and address harassment.[16] To establish the avoidable consequences defense,[17] a California employer must:

•Show that it adopted appropriate anti-harassment policies and communicated essential information to employees.

•Ensure a strict prohibition against retaliation for reporting alleged policy violations.

•Ensure that reporting procedures protect employee confidentiality as much as is practical.

•"Consistently and firmly" enforce anti-harassment policies.

4. Recent amendments to the Federal Sentencing Guidelines (FSGs) require ethics and compliance training for all managers and employees.

Mistake #3: We Don't Need to Do Anything Right Now.

The January 1, 2006, deadline for AB 1825 compliance is fast approaching. To ensure a successful program, preparations and training should begin at least five months in advance. Employers must also factor in the typical "slow down" of activity around holiday time.

Preparing a compliance training program typically requires consultation and buy-in from multiple departments—Legal, HR, Employee Relations, Risk Management, IT, etc. To ensure adequate time to finalize licensing arrangements and prepare for implementation, employers must act now!

Mistake #4: All Training Must Be Via Live Instruction.

AB 1825 does not require live training. Indeed, some of the most effective training in

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[15] We expect the California Legislature will amend AB 1825 to clarify that training on all protected categories is mandated, not just sexual harassment.

[16] *State Department of Health Servs. v. Superior Court*, 31 Cal. 4th 1026 (2003).

[17] None of these factors are limited in scope to supervisors.

the world is provided online, which demands the involvement of the learner every few seconds. Meanwhile, video or Web-based programs that are not interactive can quickly fall into the "show and go" category. This is neither what the Legislature intended to require nor does it have the positive impact of a well-designed live or online learning program. Gone are the days of meeting the training requirement by putting an "x" in the box.

Mistake #5: We're Not Going to Comply with AB 1825 Because There Aren't Any Penalties.

While AB 1825 does not impose any penalty, per se, noncompliant employers are at great risk should litigation develop. Such noncompliant employers are much more likely to experience an unlawful harassment incident, to be sued for same, to be found liable, and to be ordered to pay punitive damages. Responsible employers will do their best to be in compliance with legal requirements, including AB 1825. Wisely, the Legislature did not make failure to train a separate claim sponsoring litigation when no discrimination or harassment had occurred. Instead, the lack of training will be something that a plaintiff 's counsel can fully exploit should litigation otherwise develop. In many respects, this mirrors the current practices in litigation. For the last decade, plaintiff 's attorneys have effectively made the same argument but without a specific statute. Ironically, this new statute may motivate the few employers who do not train to take this important step, leaving the plaintiff 's bar with fewer targets.

VI. A Working Model of Compliance: Applying the Federal Sentencing Guidelines to AB 1825 As An Illustration of the Compliance Process

AB 1825 provides a good example of how the Federal Sentencing Guidelines' seven steps can help employers establish an effective compliance program that includes employment law. While one statute should not be the basis for an entire program, it does provide an illustration of the workability of the compliance model associated with the Federal Sentencing Guidelines, as applied to employment law.

1. Assignment of High Level Personnel to Oversee the Compliance Function

HR and/or legal should oversee compliance with AB 1825 and unlawful harassment training in general. This includes reporting compliance to the CCO as part of an overall compliance program.

2. Written Standards and Procedures

Establish the training program—topics and timing. The law requires a minimum two hours of sexual harassment training covering specific topics. For the reasons explained above, by lengthening the training program slightly (a half-hour, for example), employers should be able to cover harassment prevention based on the other categories protected under federal and state law (such as race, age, and disability). A well-designed interactive online program can provide effective overall training on all of these subjects, to all supervisors and employees, at a reasonable price.

3. Due Care in the Delegation of Discretionary Authority

HR and legal should retain an active leadership role, in order to ensure AB 1825 compliance and continuity throughout the organization. Managers should not be given the discretion to conduct their own training.

4. Effective Communication of Standards and Training

Decide who will do the training and draw up a training schedule. Regardless of whether the training is conducted with internal or external resources, live or online (or a combination thereof), employers must meet the quality standards mandated by the statute.

5. Monitoring, Auditing, and Reporting

Audit the organization's 2003 and 2004 harassment training efforts. Learning management systems or data tracking systems that come with some high-quality e-learning products can help with this process.

6. Enforcement, Recordkeeping and Discipline

Keep track of which supervisors have taken and completed the training by creating and maintaining physical records, such as sign-in sheets or electronic monitoring. An employer that diligently trains all of its supervisors with appropriate content, in a timely manner, but cannot produce the physical evidence confirming it has done so, faces the possibility that it will be disbelieved, reaping none of the benefits of its diligence.

7. Response, Prevention and Modification

Follow-up with supervisors and employees. Solicit feedback, answer questions, and modify the training as needed.

VII. Conclusion

As a result of recent events, the corporate compliance initiative has taken off and become essential. The mandate created by the corporate compliance initiative presents an opportunity for Chief Compliance Officers and/or their counterparts to fully integrate employment law compliance into the corporate compliance initiative. If seized upon, this opportunity could not only save corporations millions of dollars in future litigations costs, but also make them more valuable and attractive to investors. HR and legal counsel should be recruited to spearhead employment law compliance because of their expertise and province over employees. In turn, HR and legal can utilize the common language of OCEG and Codes of Conduct as tools that offer useful guidance for implementing a successful compliance program. Now, it is up to the CCOs to embrace their role and begin a new era of centralized compliance that fully encompasses all necessary components of the new compliance initiative.