



# **Third Party Training – Approaches To Mitigating The Overlooked Risk**

**Jennifer Brock  
Senior Director, Product Management**



## Why are we talking about Third Party Training?

**“Everybody has some form of anti-bribery policy in place. What they’re not doing is educating their third parties, which is where most of the risk is.”\***

\*Melvin Glapion, Managing Director, Kroll.  
ComplianceWeek/Kroll 2014 Anti-Bribery and  
Corruption Benchmarking Report



## Anti-bribery and anti-corruption programs are all about reducing risk.

- Significant fines
- Reputational loss
- Diversion from business
- Dealing with “monitor,” management of Corporate Integrity Agreement, etc.
- Personal liability (fines and/or prison) to senior management, board members and anyone involved in the act of bribery

## Incidents Entail Enormous Costs

- Penalties imposed upon violators can include fines, investigation, outside legal fees, disgorgement, potential debarment and the possibility of prosecutions in multiple countries
- Additional onerous and costly repercussions can include the imposition of monitors, audits, mandated reporting, and bolstered compliance programs

Company	Penalties	Other Associated Costs*
Siemens AG	\$1.6B	\$1B
KBR/Halliburton	\$579M	Not Disclosed
BAE Systems	\$400M	Not Disclosed
Weatherford	\$152M	\$106M
Baker Hughes	\$44M	\$50M
Daimler	\$185M	>\$500M

\* Associated costs are conservative as they only reflect disclosed amounts



## What about your Third Parties?

In a recent ComplianceWeek benchmarking report\* 58% percent of respondents said they're not training their third parties as part of their anti-corruption programs.

- Concerns about the logistics
- Unsure of where to start
- Unsure of what's enough

\*ComplianceWeek/Kroll 2014 Anti-Bribery and Corruption Benchmarking Report



## A Practical Approach

- Proportionate
- Appropriate content
- Fit with your overall compliance training strategies

Don't co-mingle your third party and employee training records!

## Two Key Questions to Ask

1. Do you know who you need to train?
2. Do you have a way to communicate with them?

## The Devil Is In The Data

- Do you need to train all of your third parties or only some?
- Who do you need to train within the third party organization?
  - Do you know who those people are by name?
  - Do you have their email addresses?
  - Do you have a unique identifier for each third party company?
- Do you have a partner/supplier website or other communication method that your third parties use to connect to you?



## How To Get Started

- Incorporate into existing due diligence processes.
- Start with your highest risk third parties.
- Third party contact data may reside in accounts payable systems or within a CRM such as Salesforce.com or Siebel. Collect data in contracting process if you don't already have it.
- Establish a unique identifier for each of your third parties if you don't already have one. Make sure it's a code that the third parties know or that you can communicate with them.

## Solution Options

“Named” Employee  
Training

Self-Registration

- ✓ Separate Account & Reporting
- ✓ Dedicated Third Party Portal With  
Appropriate Content
- ✓ Third Party Specific Course

# Q&A