Built to Last:
Developing a Best-in-Class Code of Conduct

Friday, September 23, 2011, 9:45 a.m. - 11:00 a.m.

Presented by:

Maurice Crescenzi, Jr., DeVry, Inc.

Robert W. Sprague, PCI Communications, Inc.
Maurice Crescenzi, Jr.
Global Compliance and Ethics Officer
DeVry, Inc.

Maurice L. Crescenzi, Jr., currently serves as Global Compliance and Ethics Officer for DeVry Inc., the S&P 500, publicly traded, global parent organization of DeVry University, Fanor, Becker, U.S. Education, and other for-profit, higher-education institutions. Prior to joining DeVry Inc., Mr. Crescenzi held leadership compliance and ethics positions in companies such as Schering-Plough Corporation; Kraft Foods Global, Inc.; Altria Group; Philip Morris; and Bestfoods.

As a global compliance and ethics executive, Mr. Crescenzi’s experience spans more than fifteen years. Mr. Crescenzi’s areas of expertise include developing and implementing legal and reputational risk assessments; employee codes of conduct; plain-language compliance policies; dynamic, creative, and engaging training and education programs; strategic communications; programs and processes designed to measure, monitor, and test program effectiveness; and corporate responsibility reporting. Mr. Crescenzi has earned a reputation for working cross-functionally and cross-culturally, for serving as a trusted advisor and business partner with regard to risk and reputation management, and for weaving public-relations best practices into compliance and ethics.

Mr. Crescenzi teaches “Private Sector Compliance” as an adjunct graduate professor at Montclair State University, where he covers the interrelated topics of corporate governance, compliance and ethics, and public relations. Mr. Crescenzi also guest-lectures at various universities on topics related to corporate communication, leadership, and ethical decision-making. Mr. Crescenzi is a regular presenter at conferences dedicated to compliance and ethics, corporate responsibility, and public relations. He has also published several articles on compliance and ethics.

Mr. Crescenzi holds a B.A. degree in Political Science; an M.A. degree, Law and Governance; and is currently pursuing an MBA degree in International Business. Mr. Crescenzi has been elected to the national honor societies of Phi Kappa Phi, Alpha Epsilon Lambda, and the National Dean’s List. He is a member of the Ethics and Compliance Officer Association; the Society for Corporate Compliance and Ethics; and the Public Relations Society of America. Mr. Crescenzi is also a certified compliance and ethics professional.

Robert W. Sprague
President & CEO
PCI Communications, Inc.

Bob Sprague is a recognized strategist, writer, and consultant. As co-founder and owner of PCI Communications, Inc., he guides an award-winning provider of communications strategies and services. His creativity, experience, and command of the language have made him sought after by leaders of Fortune 500 corporations, federal government agencies, and national not-for-profit organizations. His capabilities include marketing, branding, public relations, outreach, crisis communications, training design, market research, scriptwriting, copywriting, and creative direction. His industry experience, gained over 25 years as PCI’s chief strategist, ranges from pharmaceutical manufacturing and international finance to healthcare and homeland security.

As a communications strategist Bob has developed communications and marketing plans for a wide variety of organizations. In this role Bob leads market research, analyzes key audiences, develops key messages, and recommends vehicles and channels. As a consultant Bob has advised and provided key language for organizations in crisis or transition. Bob’s creativity also applies to his work as creative producer, writer, and author of award-winning events and video productions. He has designed training products, including instructor-led, interactive, video, and web-based formats, for subject matter ranging from hypertension to employee orientation, labor relations, and sexual harassment. In addition to numerous bylined articles written for clients, he is author of articles in national publications on such topics as auditing organizational communications, building management teams through more-effective communications, and evaluating the ROI of communications.
Built to Last: Developing a Best-in-Class Code of Conduct

Maurice L. Crescenzi, Jr.
Global Compliance and Ethics Officer
DeVry Inc.

Robert W. Sprague
President & CEO
PCI Communications, Inc.

Today’s Discussion

• Evaluating Your Code
• Using a Risk-Based Approach
• The Code as Marketing
• Structuring a Code
• Developing the Content
• Formatting and User-Friendliness
• Engaging Stakeholders
• Branding and Marketing
• Executive Team and Board Approval
• Implementing, Translating, and Maintaining
Evaluating Your Code

Your organization’s code should:
• Serve as the centerpiece of the organization’s compliance and ethics program
• Cover the waterfront of potentially significant compliance risk areas that transcend the organization
• Summarize the key dos and don’ts related to policies in each risk area
• Show employees where to turn for help and guidance
• Be easily accessible, well-communicated, and written in plain language
• Be organized into a user-friendly format
• Be well-branded

Using a Risk-Based Approach

In developing your new code, you might consider:
• Performing a compliance and ethics risk assessment, the results of which capture the significant risks that exist across the organization.
• Organizing the risks into categories or “buckets” that make sense for your organization.
• Collecting internal policies that track to the identified risk areas.
• Identifying internal subject-matter experts for each risk area.
• Partnering with internal SMEs to summarize key policy requirements
The Code of Conduct as Marketing

This orientation helps to:
• Structure document
• Filter language
• Gauge delivery mechanisms
• Integrate ethics and compliance communications
• Increase engagement
• Align compliance with organizational branding and values
• Evaluate effectiveness

Marketing in the 2010s is Challenging!

• Information overload
• Audience diversity
• Evolving media
• User selectivity and “skimming” behavior

Compliance can be a “tough sell”!
The Code of Conduct as Marketing

“Any intelligent fool can make things bigger and more complex... It takes a touch of genius – and a lot of courage – to move in the opposite direction.”

— Albert Einstein (or E. F. Schumacher?)

The Code of Conduct as Marketing

Two Key Marketing Questions:

To Whom Are We Talking? and
What Do We Want Them to Do?
Structuring a Code

A New Kind of “Bucket List”

Structuring a Code

DeVry “Buckets”: Option 1

Treating DeVry Right
Treating DeVry Employees Right
Treating DeVry Students Right
Treating DeVry Suppliers Right
Treating DeVry Shareholders Right
Treating the Government Right
Structuring a **Code**

DeVry “Buckets”: Option 2

- You and DeVry
- You and Other DeVry Employees
- You and DeVry Students
- You and DeVry Suppliers
- You and DeVry Shareholders
- You and the Government

---

Structuring a **Code**

DeVry “Buckets”: Option 3

- Valuing Our Company
- Valuing Our Students
- Valuing Our Suppliers
- Valuing Our Shareholders
- Valuing Our Government
- Valuing You
Structuring a Code

DeVry “Buckets”: Option 4

Integrity for DeVry
Integrity for Our Employees
Integrity for Our Students
Integrity for Our Suppliers
Integrity for Our Shareholders
Integrity for Our Government

Structuring a Code

DeVry “Buckets”: Final

You and Our Students
You and Our Organization
You and Your Colleagues
You and Our Information
You and Our Marketplace
You and Our Competitors
You and The Government
Structuring a Code

DeVry Global Compliance Branding - Integrity Begins With You

You and Our Students
You and Our Organization
You and Your Colleagues
You and Our Information
You and Our Marketplace
You and Our Competitors
You and The Government

The Action Orientation 1: Speak Up Section

• Speak up
• Identify issues
• Speaking up resources
• Anonymity
• Confidentiality
• No retaliation
• Bad-faith allegations
• Employee-relations concerns
Structuring a Code

The Action Orientation 2: Action Phrases

You and Our Information (sample)
• Ensure that our books and records are truthful, accurate, and complete.
• Accurately record and appropriately disclose information that relates to educational outcomes.
• Create, manage, retain, and dispose of records and information responsibly.
• Protect our confidential information.
• Respect and protect intellectual property.
• Speak to the media and investment community only when authorized.
• Disclose material or financial information only when authorized.
• Never engage in insider trading.
• Use social media on behalf of the organization with care and respect.
• Avoid conflicts of interest and promptly disclose them should they arise.

Structuring a Code

Exceptions prove the rule: from the Department of Redundancy Department
Developing the **Content**

- Partner with internal SMEs to capture accurately key policy requirements (a best-in-class code reflects an organization’s “division of compliance labor”).
- Develop collaboratively first draft of complete code.
- Write as people speak.

“Don’t use extra words. After all, Patrick Henry didn’t say, ‘Give me liberty or give me death, thank you very much.’”

— Anonymous
Developing the Content

“I have made this letter longer than usual, because I lack the time to make it short (Je n'ai fait celle-ci plus longue parceque je n'ai pas eu le loisir de la faire plus courte).”

– Blaise Pascal

Developing the **Content**: Writing for Your Audience

- Avoid “Junk English”!
Developing the **Content:** Writing for Your Audience

Junk English

writing on a daily basis when you mean daily
writing expeditiously when you mean fast
writing time frame when you mean time
writing utilize when you mean use
writing past history when you mean history
writing virtually any when you mean any
writing a high standard of excellence when you mean excellence

Developing the **Content:** Example

DUTY TO REPORT
All DeVry employees, officers and directors, agents, consultants and representatives are responsible for understanding and complying with DeVry’s Code in all matters related to DeVry business. You are DeVry’s first line of defense against unethical business practices and violations of the law. If you observe, know of or have good reason to suspect that any conduct you believe is unethical or unlawful or a violation of this Code has occurred or is planned by any employee or non-employee agent or representative (including employees, officers, directors, consultants, suppliers, or other third party), you have an affirmative obligation and duty to communicate that information, utilizing the resources you are most comfortable pursuing from among the following:

**Resources:**
- Submit a report to the compliance department
- Submit a report to a manager
- Submit a report to the ethics and compliance officer
- Submit a report to the ethics and compliance hotline
- Submit a report to the ethics and compliance help desk

Submit a report to the ethics and compliance department or hotline.
Developing the Content: Example


Formatting and Design
The quality of your presentation makes a statement about how you feel about your employees.
Formatting and Design

- Use of tabs & title pages
- Use of color
- Use of white space
- Use of headings and bullets

Formatting and Design: Example

integrity begins with you
Formatting and Design: Example

conflicts of interest
Avoid conflicts of interest, and promptly disclose them should they arise.

When you perceive or potential interests compromise your loyalty to the organization, or make it difficult for you to perform your duties objectively, a conflict of interest exists. There are many kinds of conflicts of interest. The examples below illustrate potential conflicts of interest that can exist in the context of you and your colleagues:

- Working with a family member, spouse, or domestic partner in the same line of management.
- Engaging in a romantic, sexual, or intimate relationship with:
  - An employee who is in your line of management or ever whom you have supervisory authority.
  - An employee for whom you are responsible for developing a performance appraisal.
  - An employee whose personal information you have access to.
- Being a senior employee and also be a personal investor in a company.
- Making a personal investment in a company.
- Being a member of a group entertainment event and then submitting the expenses as a per diem travel and entertainment expense.
- Receiving a stock option,

Be sure to review the other examples of conflicts of interest that can arise by referring to the “Conflicts of Interest” section in the other chapters of this Code.

If you are aware or are aware of a potential, potential, or actual conflict of interest, you are expected to disclose such information to the DeVry Global Compliance and Ethics Office.

Engaging Stakeholders

- Developing a best-in-class code of conduct is a true bottom-up exercise
  - Convert code content into a “review table,” organized by section and proposed reviewer.
  - Compile all feedback, edits, and input.
  - Pour revised content back into draft document.
Engaging Stakeholders

DeVry Business Code of Conduct and Ethics
Review and Approval

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Code Facts</td>
<td>Code for Academic Integrity</td>
<td>Code for Academic Integrity</td>
<td>Code for Academic Integrity</td>
<td>Code for Academic Integrity</td>
</tr>
<tr>
<td>Executive Team and Board Approval</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Circulate final draft to executive team for review.
- Incorporate significant, critical edits.
Implementing, Translating, and Maintaining

- Public website (potentially an alternate version)
- Internal websites
- Employee communications
- Resource embedded in e-learning
- Referenced during compliance and ethics presentations

The Future of Codes of Conduct

- What would a “mobile” Code look like?
- Should a Code be part of the social networking “conversation”?
- Is there room for a WikiCode?
Questions and Discussion

Built to Last: Developing a Best-in-Class Code of Conduct

Maurice L. Crescenzi, Jr.
Global Compliance and Ethics Officer
DeVry Inc.

Robert W. Sprague
President & CEO
PCI Communications, Inc.