

CEP

MAGAZINE

A PUBLICATION OF THE SOCIETY OF
CORPORATE COMPLIANCE AND ETHICS

MÓNICA RAMÍREZ CHIMAL, MBA
FOUNDER AND PARTNER,
ASSERTO RSC, MEXICO CITY

BACK TO THE BASICS (P8)

Dismantling the silos: Integrating
risk assessment activities across
stakeholders (P14)

Advancing beyond legislation to
tackle modern slavery (P20)

The art of delivering bad news (P26)

Should companies use machine
learning for their anti-corruption
programs? (P30)



SCCE®



“ Any industry is vulnerable to money laundering risk; it is as simple as that. ”

See page 10

Features

- 8 **Meet Mónica Ramírez Chimal: Back to the basics**
an interview by Adam Turteltaub
- 14 **[CEU] Dismantling the silos: Integrating risk assessment activities across stakeholders**
by Terrence S. Brody and Rachel Woloszynski
Get the details on why an integrated risk assessment process is worth the effort.
- 20 **[CEU] Advancing beyond legislation to tackle modern slavery**
by Robin Singh
Compliance must provide a framework to ensure organizations actively fight against slavery.
- 26 **The art of delivering bad news**
by Amii Barnard-Bahn
Understanding how actions are perceived by others can help overcome bad-news bias.
- 30 **Should companies use machine learning for their anti-corruption programs?**
by Shruti Shah and Jonathan J. Rusch
Examine the pros and cons of using machine learning for your program.

Columns

- 1 **Letter from the CEO**
by Gerry Zack
- 13 **Empirically speaking**
by Brian K. Lee and Dian Zhang
- 19 **Kaplan's court**
by Jeffery M. Kaplan
- 25 **Byrne on governance**
by Erica Salmon Byrne
- 29 **The view from Nickel City**
by Jennifer L. Kennedy
- 35 **How to be a wildly effective compliance officer**
by Kristy Grant-Hart
- 58 **The last word**
by Joe Murphy



SCCE[®]
Society of Corporate
Compliance and Ethics

+1 952.933.4977 or 888.277.4977 | corporatecompliance.org

Departments

- 5 **SCCE news**
- 7 **People on the move**
- 59 **Takeaways**
- 60 **SCCE upcoming events**

Articles

- 36 **Use Corporate Compliance & Ethics Week to train and encourage**
by **Deena King**
CCEW is a great way to promote an organizational culture that encourages ethical conduct.
- 40 **[CEU] Implement information governance to successfully manage ungoverned data**
by **Dean Gonsowski**
Information governance can complement cybersecurity efforts when a breach occurs.
- 44 **Rethink training and communication to boost your compliance message**
by **Nazir El Kahi**
Identify, map, and classify stakeholders to learn how to keep them engaged and informed about risk.
- 48 **When rampant organizational fraud occurs, where was the board?**
by **Martin T. Biegelman**
What do boards need to ask themselves to ensure they're fulfilling their roles effectively?

VOLUME 18, ISSUE 8

EDITOR-IN-CHIEF

Joe Murphy, Esq., CCEP, CCEP-I
Senior Advisor, Compliance Strategists
jemurphy5730@gmail.com

EXECUTIVE EDITOR

Gerard Zack, CCEP, CFE, CPA, CIA, CRMA
Chief Executive Officer, SCCE & HCCA
gerry.zack@corporatecompliance.org

PUBLISHER

YoGI Arumainayagam
Vice President of Publications, SCCE & HCCA
yogi.arumainayagam@corporatecompliance.org

ADVISORY BOARD

Mónica Ramírez Chimal, MBA
Managing Director, Asserto RSC
mramirez@asserto.com.mx

Odell Guyton, Esq., CCEP, CCEP-I
VP Global Compliance, Klink & Company
guytonlaw1@msn.com

Melody Haase
Head of Client Success, 4Discovery
melody@4discovery.com

Miguel Rueda, MBA, CCEP
Director, Audit & Compliance, Air Canada
miguel.rueda@aircanada.ca

Terry Stechysin, CCEP-I
Compliance Director, Competition Bureau Canada
terence.stechysin@canada.ca

Greg Triguba, JD, CCEP, CCEP-I
Principal, Compliance Integrity Solutions
greg.triguba@compliance-integrity.com

Ibrahim Yeku, BL, CCEP-I
Barrister, Solola & Akpana
yekuduke@yahoo.com

Rebecca Walker, JD
Partner, Kaplan & Walker LLP
rwalker@kaplanwalker.com

STORY EDITOR

Margaret Martyr
+1 952.567.6225 or 888.277.4977
margaret.martyr@corporatecompliance.org

ADVERTISING

Mary Ratzlaff
+1 952.567.6221 or 888.277.4977
mary.ratzlaff@corporatecompliance.org

COPY EDITOR

Bill Anholzer
+1 952.405.7939 or 888.277.4977
bill.anholzer@corporatecompliance.org

PROOFREADER

Marina Jyring
+1 952.405.7924 or 888.277.4977
marina.jyring@corporatecompliance.org

DESIGN & LAYOUT

Pete Swanson
+1 952.405.7903 or 888.277.4977
pete.swanson@corporatecompliance.org

FRONT COVER AND PAGE 8:

Photography by Alejandro Meza De Alba @ srfoxphotography.com

STOCK PHOTOS BY STOCK.ADOBE.COM

Page 5: © LIGHTFIELD STUDIOS; Page 14: © alphaspirt; Page 17: © Xtravagan!;
Page 20: © artit; Page 26: © pressmaster; Page 30: © peshkova;
Page 36: © Rawpixel.com; Page 37: © tonefotografia Page 40: © freshidea;
Page 42: © thodonat; Page 44: © Andrey Popov; Page 48: © Mariakray;
Page 50: © Victor Moussa; Page 52: © Yakobchuk Olena



CEP Magazine is printed with 100% soy-based, water-soluble inks on recycled paper, which includes 10% post-consumer waste. The remaining fiber comes from responsibly managed forests. The energy used to produce the paper is generated with Green-e® certified renewable energy. Certifications for the paper include Forest Stewardship Council (FSC), Sustainable Forestry Initiative (SFI), and Programme for the Endorsement of Forest Certification (PEFC).

BACK TO THE BASICS

Meet
**Mónica
Ramírez
Chimal**

MBA

Founder and Partner of
Asserto RSC in Mexico City

an interview by
Adam Turteltaub

Mónica Ramírez Chimal
(mramirez@asserto.com.mx) was
interviewed by **Adam Turteltaub**
(adam.turteltaub@corporatecompliance.org),
Chief Engagement & Strategy Officer
at SCCE & HCCA.

AT: Thanks for taking the time to talk with us. You started out your career on the auditing side. Where did you begin your career, and what was your role?

MRC: It's my pleasure. I began my career when I was studying at college working at Arthur Andersen (at that time, one of the big five consulting firms worldwide). They were recruiting students for several areas, and I applied to be part of its external audit area. To be honest, I was surprised that they hired me! In fact, at that point, I had not even completed the audit course. But it didn't matter: I was hired as entry-level staff A1 (that's how it was called). Since I was a student, I was put in charge of doing simple tasks — for example, asking for information, adding several columns on the large sheets we used (at that time there were no laptops yet), and even serving the coffee to the partners. I liked my work so much that it paid off: I was promoted directly from A1 to A3, and later promoted from A3 to semi senior, and within a short time I was made a manager. While working in the external audit area, Arthur Andersen launched the business risk administration (BRA) methodology. We were the first of the big five firms to offer our clients a risk map. And I was lucky to be part of the only two teams that were trained to do it. It was a hit for clients to know where they were vulnerable. The accounts (numbers) match with the risks; it was a very complete service. Later the Enron scandal happened, and everything changed, but that's another story.

AT: I noticed you started a program while at Arthur Andersen auditing microbiological and sanitation issues, something that

is much more important these days. What got you interested in this area?

MRC: Well, after external audit, I switched over to the Risk Consulting area. The risk methodology that I mentioned brought the opportunity to create this area. And to innovate it, the firm included restaurant and hotel microbiological and sanitation services. To make the service complete, the firm even hired experts in the field, and lab tests were done in different places — for example, the kitchen of a restaurant. You can't imagine how interesting this was. In the review, we discovered how germey food preparation surfaces were and how to optimize a hospital layout in order to comply with sanitation regulations. Each project was unique and gave me the opportunity to continue learning more about the subject.

AT: You left the outside audit world to join the Codere group, which is in the gaming business. That's an industry with a very substantial investment in compliance. What are some of the key risk areas?

MRC: Interestingly, when I started working at Codere, the casinos were not so regulated. I began working as the internal auditor, and later I became the compliance officer. I started both areas from scratch, without any support staff — just me. When the Internal Audit area was consolidated, the headquarters in Spain offered me a spot in the Compliance area because they needed to comply with regulations since the company became public. And incidentally, a few months later,

the anti-money laundering law in Mexico was issued. Remember my expertise with BRA? Well, at Codere I applied it for the whole company, and it was extremely useful both for the internal audit and compliance plans and budgets. Some of the key risk areas found were damaged slot machines and/or system failures, mishandling of cash, external fraud, improper inventory management, and equipment detained in customs. All of them could have terrible consequences for the image and reputation of the company. That's why we kept monitoring the effectiveness of the controls: to minimize the likelihood that risks would materialize.

Money laundering prevention is not difficult if you know what money laundering is and how the criminals can use your company — and your own employees — to do it.

AT: You have a strong passion for anti-money laundering issues. Is that where it was born?

MRC: Yes, when I became the compliance officer, I was trained on anti-money laundering, and I found it fascinating. With BRA (risk management) you can easily identify the areas where the company is vulnerable to money

laundering. In most cases, there is no need to create new controls; it's about adjusting the existing ones. Money laundering prevention is not difficult if you know what money laundering is and how the criminals can use your company — and your own employees — to do it. That's why I also like to speak at conferences — to spread the word about it. Training is key to deter, detect, and prevent these crimes that keep happening.

AT: For some, anti-money laundering is an issue most closely identified with banking and, as we have learned, casinos. What are some other industries that have risks, and where do they tend to occur?

MRC: Any industry is vulnerable to money laundering risk; it is as simple as that. They can be the perfect front to launder money, especially industries that are not in the financial sector. Criminals are expanding their range to any activity that can be used to launder money. They diversify their business and look for new routes — a new variety in an old method, a combination of methods, etc. — and they continue doing it until they get caught.

Criminals look for the best industry and company to launder money. Which one is it? The one that allows them to launder the largest amount of money in one movement with a low risk of getting caught. With that said, knowing where the risk tends to occur depends on the structure of the company. For example, in banks, the risk of money laundering is more likely to happen with customers, especially those who manage a lot of money. In the case of football, the risk is with the owner of the

football team. In hospitals, it's third parties (especially with expensive equipment). The trick is to identify where large amounts of money are or can be moved.

AT: Let's switch gears. You have worked as an independent consultant for many years now, and many in compliance have considered doing the same. What advice would you give to someone considering taking the leap to set out on their own to help them know whether they would be comfortable and successful working independently?

MRC: The first thing they need to be aware of is that as hard as it is to get recognition for your work in a company, it is harder to achieve while working independently. You really need to be passionate about your work so you can continue even though there are only a few clients or projects. "Knocking on doors" (searching for clients) is exhausting. It's not for everyone because it means being rejected several times, and you must keep trying. You must also be highly organized and determined. Anything can happen when you start working independently. If, with all this said, you still feel you can do it, it means you are comfortable with it. The secret: Your value-add is that you are not just selling theory; you have the expertise to apply it.

Success comes with time, when people start recommending you and there is recognition for what you do. But it can take a while, and you must be patient.

In my experience, the most important thing to keep in mind when you decide to work on your own is to get rid of the title you had before. This means you used to be the compliance officer of a big company, and you were used

to having the privileges of that job position: big name, high income, and people being nervous just talking to you. Now, working on your own, it means that you will be in demand because of the things you do on your own. No more big company name to hide behind. At this moment, it's only what you do on your own that is recognized, and that is extremely rewarding!

AT: Now, let's speak about your expertise as a recognized international speaker within several organizations. What can you tell us about it?

MRC: It's an awesome experience! Really. Being in front of people and looking out at their faces — whether it is an audience of 5 or 400, the connection you can make with people is incredible. When speaking at international conferences, I learned several things. First, nonverbal language is especially important. The audience can lead you as a speaker. When you say something that most people agree with, you can see how their heads are nodding, all at the same time! And when the audience doesn't understand what you are saying, you can see their confused faces, and that will help you to explain more about what you are talking about. This happens in any country or culture; it's a universal thing. The second thing is to adapt yourself to the environment. Many people think that just because they are speakers, the audience must adapt to them. No. You have to respect the customs and culture of the place where you are and the audience. By doing this, you are showing respect for people. And that says a lot about you. You can be an expert on a topic, but if you don't respect the audience, how much you

know is useless because they won't listen to you.

Lastly, be yourself. Don't pretend to be someone else, because your uniqueness will make the audience listen to you, and if you achieve this, your knowledge will be delivered. Isn't that what all speakers want, to facilitate people's learning?

AT: You're a prolific author, having written several books and countless articles for SCCE's *CEP Magazine* and others. What many don't realize is that writing is a terrific way to give back to the community and also to advertise your expertise. I hear from a lot of people who say they would like to write, but they are hesitant. What would you tell them to help them get started with their own writing?

MRC: Just do it! And don't compare yourself with other authors. Listen to yourself and what you want to share with others. I mean it. Many people are afraid of being criticized and have a lot of knowledge to share. I've known people who have doctorate degrees, and they can't relate ideas. They know so much that it's overwhelming but confusing. It's not about the credentials people have. It is about wanting to share knowledge with others. Because when you do it with your heart, somehow, the words come to you, and when your ideas are embodied, you as the author are continuing to learn. By investigating, you learn and grow. It is a mixture of research and your experience, but above all, it's a reflection of your personality. So try it! It's a great feeling to see your ideas published in a magazine, in a book, or in a blog. And the best thing: it will last forever.

AT: What has been your most memorable professional experience?

MRC: Interesting question. There are a lot, but if I have to choose, there is one. It was a case of sexual harassment. A director from a company harassed his secretary. I remember that when she came into my office, her face reflected so much pain that I was shocked. He started by flirting and complimenting her to gain her trust and then started sending her inappropriate messages and even asked her for naked photos. When she refused, he threatened to fire her. The arrogance of the director was clear. He thought that he was untouchable and that he could do whatever he wanted.

An investigation was launched to corroborate what was happening. It was found to be true. Reporting to the CEO, I remember that he summoned me to his office to find out who was reporting. "You must tell me!" And I replied: "No, I can't. I have a responsibility to the person who reports." At that moment, I thought he would end our business relationship right there, but he didn't.

Defending the secretary made the harassment stop. It was an exceedingly difficult situation because the director himself generated too much gossip. We had to have meetings outside the office to protect the secretary. At that point, it was compliance versus the company. This case made other employees see compliance as a valuable part of the company. We showed that by taking action — anyone who would need protection from unethical behavior would be protected. We led by example that there was

zero tolerance no matter the job position.

AT: How do you think a compliance professional could leave a legacy outside of the company they work for?

MRC: Share your knowledge! I've provided (and still do) free lectures at universities; although the audiences are students, I truly believe that encouraging these concepts and best practices at this level will help to build better future professionals, executives, and leaders.

Have a balance between technology and intelligence, because it's not about everything being automated. It's about how we, as human beings, use the technology.

AT: So looking to the future, how do you see compliance evolving over the next five years?

MRC: The pandemic has made everything go virtual: work, hiring, training, and supervision. And we've noticed something: it's not the same. Thus, I think that compliance is actually going to evolve into an area of more human contact. Although compliance work can be supported by technology,

crimes such as money laundering, fraud, corruption, slavery, and harassment are human acts. Compliance will need to go back to the basics because that is what prevails. Technology may help identify criminals or set alerts, but it takes an interview to check nonverbal language to determine if that person is telling the truth or not, or an analysis of alerts to determine what really happens. It's not only data; it's how you interpret it. And for that, the compliance area will have to know the company as a whole. Otherwise, how can compliance identify what is unusual?

This doesn't mean that technology is not important. It is

and will continue to be. My point is to have a balance between technology and intelligence, because it's not about everything being automated. It's about how we, as human beings, use the technology. Even for risks, they are going to change, but some may prevail. And for that, training and a refresh of values will continue to be needed so employees know why it is important to do the right thing and how to do it.

The evolution of a compliance function will also depend on its own internal alliances and

ambassadors developed within the company,¹ especially for those companies that will demand more from their employees with less resources. Believe me, they are going to be your eyes and ears when you can't be there, and they will keep you up to date on any issues that arise within the company.

If done correctly, the area could evolve to what it should have been in the first place: a key strategic internal adviser for everyone!

AT: Thank you for your insight, **Mónica!** 

Endnotes

1. Mónica Ramírez Chimal, "Compliance ambassadors wanted!" *CEP Magazine*, November 2020, <https://bit.ly/3yDf8sB>.

Your guide to defining, assessing, and addressing risk

This book walks you through the compliance risk assessment process step by step. Learn how to build a robust process, avoid common pitfalls, and work towards continuous improvement.



Learn more
corporatecompliance.org/risk-intro

