



MOVING YOUR COMPLIANCE PROGRAM TO THE NEXT LEVEL

By Sean La Roque-Doherty

Steve Grimes is a partner in the Chicago office of Winston & Strawn. He is a former federal prosecutor, an experienced trial lawyer and a former chief compliance officer at Tenneco, a global publicly traded Fortune 500 manufacturing company. Grimes is a co-leader of Winston's Privacy and Data Security Task Force.

His practice focuses on compliance and data security counseling, sensitive internal investigations and complex litigation. Forum recently sat down with Grimes to discuss how his in-house experience gives him a unique perspective and aids his ability to provide tailored advice to companies and boards seeking to build, improve and defend compliance programs.

FORUM: *Can you give me an overview of the practice group you're co-leading at Winston and what you're doing to help clients develop compliance programs?*

STEVE GRIMES: Coming from an in-house position as a chief compliance officer, I'm building a practice around and capitalizing on the insights that I gained while in-house and structuring the practice group to meet the specific

needs of companies concerning compliance and data security programs. We are trying to take up the advice that many law firms are giving to clients and break it down into the specific business action steps that the companies should take to comply with regulatory requirements. We're making clients aware of risks and giving them guidance on how to mitigate the risks; and making sure that there are specific steps, internally, that clients can take with Legal, Compliance, Management, HR and IT teams to move to the next level.

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FORUM: Can you describe the "next level" for clients?

GRIMES: A good example is the most under-represented risk out there right now around trade secret theft and the theft of IP. I think we're all aware of the risk as it stems from third-party hackers. What is not receiving attention – and the bulk of the problem – is the departing employee or current employee who is stealing information for a future personal use or competitive business use. And there's a lot that companies can be doing that they're not doing right now, in the first instance, to better guard against that type of theft. There are a lot of practical things companies can do to guard against it and prevent theft, or at least lessen the chance that it can happen. Secondly, there are many steps that companies can take to put themselves in a position that if they are on the bad end of a trade secret theft, that they have best positioned themselves to get legal recovery, either through criminal restitution, civil injunctions or other avenues.

FORUM: No client is equal with respect to where they are regarding compliance. Do you have a standard model to identify where clients are and where they need to be?

GRIMES: Absolutely. I call it the maturity model. It's an efficient way, a blueprint, for a company to say, "Here's our risk, here are the things that we as a company can do to lessen the chance that the risk is going to actualize and here are the things we can do to best position ourselves to be able to respond if a bad event does occur." The maturity model takes each risk and puts it into a basic framework of risk mitigation maturity, ranging from no formal risk mitigation (immature) to informally mitigated risk based on limited, subjective views of legal compliance to a mature formal, risk mitigation program carried out and executed by the organization.

FORUM: There is so much a company could do in a perfect (unlimited resources) world. How do you help companies prioritize what to focus on within their compliance program?

GRIMES: The maturity model provides a framework and management tool that helps companies continuously assess, prioritize and improve. The tool helps spot issues, but more importantly lays the groundwork for specific steps to address them. For much of this work, clients have the internal resources to address the compliance issue, but they need help organizing and prioritizing. There's no better sales pitch than to be able to get in and show a client that you understand their issues, help organize and prioritize them, and provide practical advice on how to move forward.

FORUM: What are some of the things you took away as a compliance officer at Tenneco and brought to your practice at Winston?

GRIMES: The recognition of the internal corporate audience of every recommendation you make as an outside lawyer and the various levels of different functional groups and functional approvals that need to happen within a company to make organizational changes that you're recommending as part of a compliance program. I took away a much more significant appreciation for how that works. The way that I now advise clients is very different than before I went in-house for a couple of years.

FORUM: How hard is it to convince a company that compliance has a return on investment outside of going into the negative aspect of avoiding fees, prison time, etc.?

GRIMES: I try to avoid the negative sell because most companies know that there are substantial costs they are avoiding by having robust compliance. In addition to cost avoidance, I genuinely believe, and there's research to support it, that engaged employees who feel that their company values ethics, are going to be more productive. In short, a compliance program is not just about avoiding risks; a good compliance program is an investment in the culture of the company. ●



Steve Grimes is a partner at Winston & Strawn LLP. He was formerly the chief compliance officer and senior litigation counsel to a Fortune 500 company.