

A Tip of the Hat to Cadel Evans and the Code of Conduct

If you are a cyclist, the most famous Aussie in the world today is Cadel Evans, the first Australian to win the *Tour de France*. For those of you in the compliance world, the other most famous Aussie is still Rupert Murdoch. So today we tip our hat to Cadel for a great three weeks of cycling and the time trail of his life on Saturday to win the *Tour*.

However, in the compliance world, the Murdoch's and News Corp continue to provide a veritable plethora of lessons learned. Today we focus on that most basic step of any compliance program - the Code of Conduct. A written Code of Conduct is one of the key components of a *best practices* compliance program; whether that compliance program is based upon the US Sentencing Guidelines and the Foreign Corrupt Practices Act (FCPA); UK Bribery Act's *Adequate Procedures*; or the OECD *Good Practices*. However, much more than a written Code of Conduct is required for any compliance program to succeed. I do not think that this statement would be news to any compliance practitioner or even controversial, nevertheless it was apparently news to News Corp. The lead article in Friday's edition of Ethisphere Corporation's Daily GRC Digest, discussed the following:

The top story today is that News Corp.'s much touted Code of Conduct is absolutely USELESS, as News Corp. failed to inform and educate employees about it. The new code, released in May, receives a B+ from Ethisphere, which is an improvement from the substandard C its former code, implemented in July 2006, received; however, with no clear communication and training plan, nor any comprehension aids in the code, News Corp.'s Code of Conduct is worthless in preventing wrongdoing like the voicemail-hacking and police-bribing scandal or protecting the company in the event of such malfeasance.

The GRC Digest article linked to an article in the July 19 edition of the Daily Beast by David Graham, where he discussed the 56 page News Corp Code of Conduct in the context of the UK Parliamentary hearings last week where both Rupert and James Murdoch testified. Graham reported that the Murdoch's referred to the News Corp Code of Conduct as "*setting up the code as the cornerstone of ethics at the company, and potentially a "paragon" for journalists across the globe.*"

The GRC Daily noted that Ethisphere had graded the News Corp Code of Conduct as B+, which was an improvement over its prior Code of Conduct. However, such a robust 56 page Code of Conduct is not worth much value if, in the words of the GRC Daily, there is "*no clear communication and training plan, nor any comprehension aids in the code, News Corp.'s Code of Conduct is worthless in preventing wrongdoing like the voicemail-hacking and police-bribing scandal or protecting the company in the event of such malfeasance.*"

So the lesson learned from News Corp's 56 page B+ rated Code of Conduct is that such a Code is worthless unless trained upon and actually implemented by management. I really don't think

this is news but if your management does not seem to understand this important concept perhaps you can pass this article along to them for easy reference.

Speaking of easy reference, the GRC Digest is yet another tool available to the compliance practitioner at no cost. It comes in a daily email blast, sent to you by Ethisphere, it contains news of the day, with links and highlights upcoming webinars and speaking engagements. It is easy to read, fun to digest and as the name implies, focused on governance, risk and compliance. To subscribe to the GRC Digest, [click here](#).

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