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CEO at Net Consulting Ltd,
Business Ethics and
Compliance Solutions,
Sarajevo, Bosnia and
Herzegovina

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Bojan Bajic

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Business Ethics and Compliance Solutions,
Sarajevo, Bosnia and Herzegovina

an interview by Roy Snell

Meet Bojan Bajic

Bojan Bajic (bojan.bajic@netconsulting.ba) was interviewed in April of 2016 by **Roy Snell** (roy.snell@corporatecompliance.org) CEO of SCCE and HCCA, headquartered in Minneapolis, MN.

RS: Tell us a little about your background.

BB: I was born, spent my entire childhood, and finished primary education in the Socialist Federal Republic of Yugoslavia, the country of a good-natured socialist leader Tito and the leader of the partisan anti-fascist guerillas during WWII. Tito loved American movies and Cuban cigars and let the people enjoy the things they loved too, which was an

impossible dream in the Eastern Soviet bloc. The people, torn between the capitalist West and communist East, lived in a state with a one-party system, a state-controlled economy, public health and education, and state-owned companies where entrepreneurship was not so welcomed.

Then, all of that fell apart, seemingly overnight. War broke out and lasted from 1991 to 1995, where everyone was fighting everyone. I went to high school amid the devastating war in Bosnia and Herzegovina (BiH), one of the former Yugoslav republics that saw the worst of the conflict. Over 100,000 people were

killed during the war. It ended with the Dayton Peace Accords signed in Dayton, Ohio, USA. For this reason, many Bosnians jokingly refer to their capital as Dayton, Ohio.

After the war, we got a multi-party system, a market economy with a growing number of small and medium-sized enterprises, and we got a strange version of democracy, which we are practicing without any accountability or rule of law. This has created an environment in which corruption and all forms of public funds abuses are flourishing. After the war, I enrolled in university, started a few civil society organizations, and launched development projects and start-ups, but my youthful narcissism did not allow me to accept that an adverse environment was a stronger power than my can-do attitude and ambition. I soon learned, however, there are no start-ups when the national system is rigged against honest development.

It was these personality traits and my can-do character led me to become the president of an alternative political party of progressive and open-minded Bosnians of all ethnic backgrounds, guided by the desire to change the context in which the system and politics would support start-ups in all spheres of life, instead of suppressing them. In this position as party chair, I was consistently asking myself whether my next step was ethical or not. In Bosnia, this trait can really restrict your own progress in an environment where corruption and bribery are the rule, rather than the exception.

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I then faced my biggest challenge yet, which, luckily, brought about a new solution. There was no sense in launching start-ups, because I could not change the context of dodgy political practices. I became tormented by ethical hindrances while still having the strong desire to create something useful. My

wife told me, "Let's move to the United States or Sweden. There we'll have both the context and growing ethics, and we'll be free to do start-up."

But, my can-do personality once again prevailed though, and I came up with a new formula: A start-up in ethics and compliance

that supports others to implement compliance programs and to produce more peers who are fighting for better contexts!

So, we created the first consultancy group in the region that supports companies and governments in creating and implementing compliance programs and developing corporate ethical culture. We did so by developing our own IT solution for all elements of an effective compliance program, which has proved to be a huge success.

RS: Why is it that Sarajevo seems to be in the middle of so much conflict?

BB: Not only Sarajevo, but rather the entire Balkan region (southeast Europe). There, the West ends and East begins, and vice versa. It has always been the border of great empires and big interests. Shaken international systems and global power shifts always spark friction at our frontiers and borders. A young

man from Bosnia and Herzegovina shot dead the heir to the throne of the Austro-Hungarian Empire in Sarajevo in 1914, and a month later WWI broke out, causing the fall of the Ottoman, Austro-Hungarian, German, and Russian empires. That young man, while in prison, must have thought about that apocalyptic button that he had pressed while committing the assassination at Sarajevo on June 28, 1914, which resulted in a string of dramatic events in the 20th century.

RS: You helped get a whistleblower protection law passed. What was that process and experience like?

BB: Everything began after I met my colleague Visnja, who reported a CEO of a public company in Sarajevo and blew the whistle on a corruption scheme worth over \$2 million (US). I was helping her fight retaliation, and through that struggle, both of us realized which legislation was missing in BiH. Over the course of 16 months, we were working through a non-profit organization called Luna that I was co-founder of 18 years ago, to draft a bill in close cooperation with eight parliamentarians. The bill passed the BiH parliament with a unanimous vote. Back then, we did not know what the word “whistleblower” meant. We came to understand its meaning only when Stephen Kohn from National Whistleblower Center, Washington DC, came and explained it to us in its essence. This success couldn’t be possible without support of the US embassy and USAID in Sarajevo.

Since we were developing a draft bill on the basis of practical needs and experiences,

we did not know that it was the first such law in Europe, providing protection to whistleblowers even before a case ends up in court. It is so interesting when we are praised for being so smart to come up with a strategic plan to be pioneers in Europe, while the truth is that we did not have a clue that it was really so. Had we known, we might have been scared and might have lost self-confidence during the advocacy campaign.

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RS: You have talked to other people in the government about their interest in doing something to support the implementation of compliance programs. What is that all about, and where do you see that heading?

BB: The current trend is that governments in the

region make all sorts of anti-corruption strategies in order to improve ethics and integrity standards in the public sector. For the public sector and politics in the Balkans, it is closer to the truth to say that they are more predator than victim of corruption. The biggest problem is that their strategies remain a wish list, without a clear vision how to effectively implement these standards. It is not quite clear yet in this region that the ethical behavior of an institution or company requires much more than just having an ethical leader, although this is probably the most important. However, it is necessary to enforce an effective compliance program for prevention, detection, and correction of ethical standards and compliance procedures violations. This is why governments of the region must understand that their policies to attract investments are unsuccessful only because investors are not

assured enough that ethics and compliance are part of the legal system and market behavior.

RS: What are the challenges to implementing compliance programs in your environment? How is it different in Bosnia and Herzegovina than other parts of the world?

BB: The legal frameworks in the region have always been weak and incomplete as a consequence of enduring controversies from the war and the absence of a single vision of the future of this region. Corruption keeps them, as such, from making any progress. Progress is extremely difficult. This situation is conducive to market chaos, where many companies are concerned about their future.

As a result, paradoxically, companies are pleading with the government to make and implement regulations, and the government is refusing to do it. It is more than obvious that such a low level of enforcement is not conducive to businesses and that it has an adverse effect on the future viability of businesses, because there are no ethics to ensure fair play in the absence of regulations. Another challenge is that foreign powers were creating systems and laws in this region for many centuries, which the population often saw as the imposition of the occupiers. As a consequence, patriotism developed in the form of non-compliance or circumvention of the laws imposed by the occupying force. Today, when we are our own rulers, the same mindset and cultural deviations remain. The first thing a citizen of the Balkan region does when he hears about a rule or law is to try and

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RS: One of the things your staff told me repeatedly when I visited is that you are one of the most principled people they have ever met. Why do you think they say that? Why is this important to you?

BB: They probably said that because I do not allow them to leave their office and meet with other people! 😊 I am happy to hear that they think of me in this manner. But we should always be challenging and surprising ourselves, just like you did Roy, when you came and did an unexpected compliance audit with my staff. The most important thing to me is that we follow logic and ethics, which

I consistently adhere to. When something is logical, there is no room for fear, and that leads to principled action. It is always nice to hear that my closest associates think of me in that way. Our behavior always affects others; it's just up to us whether they are positive or negative.

RS: You recently held a compliance conference in Sarajevo. Was this the first compliance conference there? How did it go? Where did the attendees come from?

BB: We organized a compliance conference, the first such conference in Sarajevo and the whole region. We named it the Balkan Compliance and Ethics Forum. If you read about the history and realities of the Balkans, you could assume that the title of the conference caused a few perplexed looks on all sides. Luckily, over 30 international

companies from seven neighboring states that operate in this region accepted our invitation. Somehow, the conference was organized quite accidentally.

Everything began when I decided to send a rather bold letter to SCCE CEO Roy Snell and address him as if I were President Obama and not a director of a small ethics and compliance consulting office in Sarajevo. I read somewhere that Americans like to say, “Think big or go home.” In my letter to you Roy, I wrote that I had read your articles on compliance and all that you had managed to achieve, but that you didn’t know what you were missing if you did not visit us in Sarajevo. I told you that if you agreed to come, we could develop compliance standards together in one of the most historically challenging regions in the world for developing cultural ethics.

My team implored me not to send such a letter and begged me to write a more formal invitation with a professional tone, knowing that Mr. Roy Snell was one of the biggest names in compliance issues. Before they convinced me to change my mind, I pressed SEND, and that’s how it all started. Roy, you apparently liked our “Think BIG or go home” approach and immediately replied that you were coming on March 23. There was no turning back after that, and the conference was scheduled for March 25.

From time to time I thought I should cancel the whole thing out of my fears that it would fail or that there wouldn’t be enough participants, but I hated the idea of backing out of thinking big. In the end, everything

turned out to be extraordinary. People were delighted, and many participants now see us as a big name in the world of Compliance, which, frankly, has also been good for business. Many people are calling us to come and present our inspiring and challenging experiences in implementing compliance in the Balkans. The conference not only gave a great boost to us, but to the general concept of compliance region-wide. So, we are very thankful to you Roy, and to SCCE for their support.

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RS: Sarajevo has significant ethnic diversity. Does that affect the way that things like compliance programs and whistleblower laws are accepted or supported?

BB: There is the same pattern in all cases of retaliation against whistleblowers. The most favorite dirty

trick that all corrupt officials use is to accuse a whistleblower of corroborating with another ethnic group against the corrupt official’s ethnic group. Since the ethnic communities waged an ethnic war 20 years ago, corrupt officials are using all-too-fresh emotions to cover up their wrongdoings with fake ethnic and religious veils. Luckily, we unmask such spins quite easily.

RS: Pharmaceutical companies formed an association. One of the things they would like to accomplish is to have more laws governing the pharmaceutical industry. Typically most companies would fight more regulations. Why is it different in this case?

BB: As I said above, ethics and compliance standards in public and private sectors

in this country are poorly regulated and create a “Wild West” scenario for foreign pharmaceutical companies operating here. They can hardly cope with national competition, which is linked with the public sector in the most creative and unethical ways, particularly within the public health sector. This is why the only way for them to survive on the market is that the state makes strict laws governing all stakeholders of the market. Large multinational companies run a risk of being scrutinized under the FCPA [Foreign Corrupt Practices Act] and other laws while operating in this region, and a high index of corruption in government and public sector cannot be in their interest.

RS: Tell us a little about the people who work in your consulting office.

BB: Visnja, Mila, Rusmir, Faris, and Haris, together with our external experts and partners, form a missionary team of ethics and compliance pioneers in the southeast European region. They all have different backgrounds. Visnja is one of the most well-known whistleblowers and one of the most talented compliance practitioners in the business—we say she is a natural risk detector. Mila is a passionate compliance researcher and analyst. Rusmir is a well-known public advocate in the Compliance field. Faris is a tireless IT compliance solutions administrator; and Haris is a co-founder and a passionate ethics and compliance investor. Witty, smart, skillful, ethical, friendly, professional, enterprising, well-organized, and aware of our culture and

mentality, they form a dream team for support to companies that literally live compliance. We tell big multinational companies that are interested in running business in the Balkans, “You can do it without our help, but with us, you can do it without a headache.”

Systems and ideologies have always changed here—from communism and socialism to capitalism, from kingdom to empire to republic, and now back to a federation...

RS: Generally speaking, you and your staff seem to believe that if you are successful, you will make your part of the world a better place. Is that true, and how can compliance programs help your society?

BB: Systems and ideologies have always changed here—from communism and socialism to capitalism,

from kingdom to empire to republic, and now back to a federation and all sorts of entities and an uncertain integration process into the European Union. Yet none of these systems has ever managed to build and maintain professionalism or promote ethics and compliance at the workplace. Perhaps once we have mastered it, we will understand that all major system changes and internal organization of the country always end up in a mire, perhaps only because we have never learned to keep small procedures in a compliance rhythm. And by building on that, and adding another, and yet another, only then will we have the small wheels running well enough so that larger systems could start functioning. Since this is being done for the first time in the entire history of this part of the world, my real feeling is that compliance programs can make this part of the world a better place.

RS: Thanks for your time. *