



Contact:

Laura Taylor

Gaia Group PR

Phone: 202-271-8216

Email: laura@gaiapr.com

Regulatory Loopholes, Redefining Privacy in a Social Media Revolution and the Steamy Workplace – What’s Next for Ethics and Compliance in 2010?

*Global Compliance Identifies Five Business Ethics Trends to Watch in the New Year**

Chicago, Dec. 29, 2009 -- Global Compliance, the leading provider of comprehensive and integrated ethics and compliance solutions, has announced five ethics and compliance trend predictions for 2010 (and a bonus sixth for good measure). In a year that brought us Allen Stanford, Peanut Corp. of America (a losing combination of peanut butter and salmonella), Bernie Madoff, Satyam and a healthy serving of ethical transgressions among public figures, continued headlines on business ethics failings seem unavoidable. Yet while each New Year brings unexpected developments, it is also true that last year’s trends provide us with some confidence in making key predictions for 2010.

“Looking ahead to 2010, we see an increasingly important focus on how privacy, security and transparency will harmonize in a multi-generational workforce which interprets ethics and compliance in different ways,” said Steve Priest, president of Ethical Leadership Group, the Expert Advisory division of Global Compliance. “And while it seems that we have seen it all, the radical speed at which organizations must currently move to handle new laws, regulations and technology, make it more critical than ever to focus on ethics and compliance issues – before they become headlines.” Steve and his expert team of former Chief Compliance Officers, Department of Justice attorneys and advisors to the U.S. Sentencing Commission have compiled the following predictions:

1. Looking for a Place to Hide? Don’t try Social Media...or in 28 Characters or Less “Twittering Your Compliance Away”

Facebook, You Tube, Twitter and social networks create huge compliance and reputational problems. Because (almost) everyone under 30 uses social networks as a primary form of communication, and because the informality of use is so high (and filtering for content so

seldom done), thousands of issues great and small will surface throughout 2010. Some of them will document legal or ethical violations. But the big question for 2010 may be: what are the new rules of privacy in this new environment? Will companies be able to enforce the same rules as they did only a few years ago and if so, what is the backlash? How can a workforce of millennials, Gen Xer's and baby boomers work together in ethical harmony? We're all a-*Twitter* to see how this plays out in 2010.

2. Who is Watching the Watchers?

The SEC has been accused of numerous regulatory lapses, including for the quality of its reactions to whistleblower complaints about Bernie Madoff. The FDA has been alternately accused of cozy relationships with pharmaceutical companies, and yet approvals processes for new drugs seem to drag on. Regulatory agencies have been accused of poor oversight of: food safety, mortgages, credit agency valuations, mines and oil leases and even toys. Predicting that bureaucrats and regulators will commit blunders or tie us up in red tape may be an easy call, but with expectations high and investors and employees in no mood for excuses, this may be the year when the public demands more efficiency and accountability from the public sector. While it may be more a matter of creating scapegoats, expect some heads to roll. And with billions in government stimulus funds at stake, we know where some of the rolling heads will be coming from.

3. The Search for New Loopholes Continues

Outside of Manhattan and the Beltway, the American public is "mad as hell" and grassroots populist movements on the political left and right are growing. Millions of Americans do not think it is fair that Main Street is still living with consequences from the Banking Sector failings of 2009 – 10 percent unemployment, pay cuts, loss of health insurance, taxes rising to pay for the deficits—while many bank executives are rewarded. As anger and cynicism increase, watch out for Congress to try to get ahead of the angry crowd. The result will be more oversight, more regulations—followed by regulation avoidance. As the search for the next big loopholes begins, it may be time to corner the market in pitchforks and torches. And no – that's not insider information.

4. Healthcare Companies Crack Their Compliance Piggy Banks

Healthcare reform has tremendous implications across the economy. This industry represents the largest sector of our economy, and it has accounted for more fines and settlements than any other sector over the past ten years. Continued scrutiny of marketing practices and increased scrutiny on research and interactions with foreign government officials will keep healthcare firmly in the lead with regulators. Organizations that navigate the new regulatory environment with dedicated focus and agility have an opportunity to achieve a significant business advantage. And the new healthcare legislation will keep the sector top of mind for consumers as well.

5. A Hot Year for the DOJ

With over 100 cases under investigation, the Department of Justice has corporations worldwide scrambling to make sure they are not violating the Foreign Corrupt Practices Act (FCPA). Record settlements provide strong motivation for government investigations and prosecutions. At the same time the government is taking a harder look at antitrust and insider trading. Given the increase in informal (but searchable) communications (see prediction #1) and the amount of money flowing through our markets, we will see many more prosecutions in 2010. In fact, the Department of Justice has all but guaranteed it. Just in time for the 2010 release of *Wall Street II*. Modern day Gordon Gekkos, beware.

****The Bonus “No-Brainer”: The Jenny Sanford Zippergate Twist***

Although it might seem as if the past few years have brought an inordinate amount of adultery by public figures to light, this may be primarily a product of the transparency of social networks and the aggressive, unedited news covered by blogs (See prediction #1). In any event, if the past is any indicator of the future, this is the safest prediction of them all - harassment lawsuits and settlements will continue to plague American organizations. Damages from this issue ripple to individuals, families and even communities. One final note: we also expect to see fewer spouses standing side-by-side at the podium with the offending party – call it a hunch, but we think South Carolina’s first lady set the stage for being off stage.

More on the business risks posed by ethics and compliance issues as well as a wide range of solutions can be found at www.globalcompliance.com

Steve Priest, President of the Ethical Leadership Group (ELG), the Expert Advisory division of Global Compliance. Priest has conducted ethics consulting in over forty countries in most major industries. Prior to founding the ELG in 1993, Priest was executive director of the Center for Ethics and Corporate Policy, a Chicago-based ethics think tank. He received his ethics training both in the real world of business and at Harvard University, where he received a Master of Theological Studies degree. He holds an MBA and BA from the University of Chicago, In addition to consulting and speaking, Steve is the Program Director of the Conference Board's Business Ethics and Compliance Conferences. The ELG team is comprised of former Chief Compliance Officers, Department of Justice attorneys and advisors to the U.S. Sentencing Guidelines Commission who work with clients around the world to assess and create tailored ethics and compliance programs.

About Global Compliance Services, Inc.

Global Compliance the leading provider of comprehensive and integrated ethics and compliance solutions. The Company currently partners with over 4,000 clients including public and private corporations, academic institutions, government entities, and non-profit organizations in over 200 countries – covering over 25 million client employees. Global Compliance Services, Inc. is headquartered in Charlotte, N.C. www.globalcompliance.com

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