



H.S. Grace & Company, Inc.

## Defining the Difference # 65 – March 2013

### H. S. Grace & Company *Financial Executive* article: “How Effective Are Ethics Codes and Programs?”

“If there has been any doubt about the importance of ethics and integrity in conducting business in the United States, that doubt should have been laid to rest by two recent government actions. In November 2012, the Obama administration temporarily blocked BP PLC from entering new contracts with the U.S. government citing BP’s “lack of business integrity” in the 2010 Gulf of Mexico oil spill – a significant issue for an oil company operating in the Gulf of Mexico.

And a federal court in the Southern District of New York in 2012 allowed a shareholder lawsuit against Goldman Sachs & Co. to proceed based on allegations that Goldman Sachs misrepresented to investors that it was an honest and ethical company.”

*Financial Executive, March 2013, p. 43*

This quote is from the opening paragraphs of an article we recently authored in the March 2013 issue of *Financial Executive*. The article discusses expectations and requirements under the Federal Sentencing Guidelines for Organizations and the New York Stock Exchange listing requirements for ethics codes and compliance programs, differences in how companies have designed and implemented such programs, and information on how well such programs are working. We are pleased to provide you with a copy of the article, and we were complimented to be invited to author the article and appreciate FEI’s permission to provide it to you.

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*H.S. Grace & Company, Inc. is a team of senior executives who diagnose and resolve critical corporate problems in business governance, operations, finance and control. With more than 1,000 years of experience, our goal is to help companies enhance shareholder value, protect reputation and their long-term ability to succeed, avoid and manage litigation, and navigate major changes such as mergers and acquisitions or bankruptcies. We often serve as consulting and testifying experts, identifying and analyzing critical business issues.*

## Representative Issues Examined

- Lender Liability
- D&O
- Corporate Split-off
- Family Trust
- Health Care
- Professional Services
- Intellectual Property
- International Structured Finance Transaction
- Fraud
- Pension Fund Investments
- SEC White Collar Defense
- Stock Option Backdating
- Oil & Gas
- Real Estate
- Fiduciary Issues
- Contract Dispute
- Fund Management
- Market Timing Allegations
- Financial Derivatives
- Portfolio Management
- Special Purpose Corporation

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