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Meet Teri Quimby: Communication is a priority

By Teri Quimby, JD, LLM, and Adam Turteltaub

AT: We tend to focus mostly on federal compliance requirements, but the states have a wide range of regimes. You saw that up close, serving as a commissioner for the Michigan Liquor Control Commission for eight years. As we all know, alcohol sales are highly regulated. But what don't we know about the job of being a state-level regulator?

TQ: State-level regulators have a lot of power! From approvals and denials of licenses, permits, and permissions to revocations and suspensions, administrative decisions can severely impact businesses. While many may think that regulators have strict guidance (laws and rules) for decision-making, application of existing—and sometimes prehistoric—standards to rapidly changing business conditions creates grey areas. Regulators must interpret laws, and judicial deference is usually given to the administrative decision as the result of legal challenges. This so-called “administrative state” is a very powerful place for regulators to reside, perhaps even more so than for those with legislative or judicial powers.

AT: One of your key accomplishments there was streamlining the licensing process. For compliance professionals navigating countless laws and regulations, it's heartening to hear from someone who eased the burden. What should compliance teams understand about why regulations are as complex as they so often are?

TQ: It is less work to make regulations more complex—just keep adding to them! Often, we want to fix problems with more requirements, which leads to more ambiguity and bureaucracy. And then, the lack of clarity can result in silos of individual decision-making to resolve problems, taking place outside of any intentional business systems and likely unknown to others. At the commissioner level, we initiated a staff-driven approach to streamline the licensing process. Staff was sequestered from daily work for a few days. Unnecessary parts of the process were identified and removed, but the integrity of licensing review was left intact. The result was an improved licensing process, with 64% less processing time, as well as international recognition in the form of a process improvement award, outcompeting finalists from other states and foreign countries.

AT: How did the job give you insights into the world of corporate compliance?

TQ: In addition to serving as a commissioner, I also served as a member of the hearings and appeals board. The board heard and decided hundreds of cases every year on appeal. I saw so many missed opportunities, in my opinion, to demonstrate any kind of compliance—lack of programs, internal controls, monitoring and auditing, training, and so much more. Government asks questions and demands answers. Regardless of industry, a great starting point for questions by regulators is the Department of Justice (DOJ) guidance. Can you provide answers

to the applicable ones? Without compliance basics (or more) in place, violations and penalties should not come as a surprise.

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