

CEP Magazine – March 2024



Gwendolyn L. Hassan
(gwendolyn.hassan@unisys.com) is
Deputy Chief Compliance Officer at
Unisys in Chicago, Illinois, USA.



Adam Turteltaub
(adam.turteltaub@corporatecompliance.org)
is Chief Engagement & Strategy
Officer at SCCE & HCCA, based in
Eden Prairie, Minnesota, USA.

Meet Gwendolyn L. Hassan: The importance of “looking around the corner” in compliance

By Gwendolyn L. Hassan, JD, CCEP, and Adam Turteltaub

AT: You’ve spent a good part of your career in logistics and manufacturing, working at a wide range of companies, first in legal roles, then in compliance. What first attracted you to it?

GH: It wasn’t so much that I was attracted to manufacturing and logistics as they were apparently attracted to me! I studied abroad as an exchange student, and having the ability to speak another language turned out to be very attractive to multinational companies in general—but especially those manufacturing under Mexico’s maquiladora program (a program providing certain tax advantages to incentivize foreign investment in manufacturing plants in Mexico). That was, I think, what first differentiated me from some other young lawyers: that combination of legal skills and language/cultural skills.

AT: Given the industries, you have worked with many unionized workforces. I remember decades ago when I started in compliance, there were concerns about whether you could get them to sit for compliance training. I’m guessing by now that concern has long passed, or do represented workers still present a challenge? And if so, how do you manage it?

GH: I think this is still an issue, but in a broader scope than just the union context of pulling people off of a manufacturing line to take compliance training. Now, the challenge includes pulling people off the phones when they are manning a help desk or pulling people in from the field when they are field service representatives or sales professionals. The potential burden on the business should not be taken for granted. This is why role-based learning is so important. Compliance training needs to be a value-added activity—one that directly enables employees to see the connection between the training and their work. No matter where an employee works, training needs to be easily accessible and narrowly tailored. I think the solution lies in being creative. Try providing people with offline methods of receiving training: for example, have you tried adding a few minutes of compliance content to training they are already receiving on safety or customer service? Or you could allow employees to show competence and test out, use microlearning people can take on their cell phones, create a short cartoon or video you can launch through your internal communication channels, hold a lunch and learn people can attend virtually over their lunch breaks; there are many ways to make compliance training not only more engaging and interesting but also less burdensome.

AT: What have you found works well to earn and keep the support of organized labor?

GH: It has been a while since I’ve worked for a company where a significant portion of the workforce was

unionized, but if you are working for a multinational company, you know that working with and obtaining the support of the local work councils many countries have can be equally as challenging as working with a labor union. In my experience, the keys are communication, transparency, and partnership. If your mindset is that the union and/or the council are your adversaries instead of your partners, that can easily become a self-fulfilling prophecy. I suggest you view them instead as a strategic partner to compliance, an ally to help you build and reinforce the type of integrity-focused culture you want. Partnering with them requires open communication and transparency. Tell them what you're working on. Ask for their input and advice early and often. If they also start to see you as their strategic partner, that's an ideal situation on both sides.

AT: In July 2023, you joined Unisys, which is about as different as it gets since it's a technology company. What led you to make the change?

GH: Technology is definitely a new space for me and one I'm excited to learn—so many acronyms! My ultimate goal is to one day serve on the board of directors for a public company. Adding experience working in the technology industry gives me a great opportunity to further round out and complement my risk and compliance skills by applying them in a new and rapidly changing industry. The chance to work for a company that is “out front” on technology solutions—including solutions that use artificial intelligence, machine learning, and quantum computing—is something I just couldn't pass up!

AT: What advice would you give others changing between two very different industries?

GH: My best advice is not to be afraid to do so! At the end of the day, the skills you have in risk and compliance are needed in every industry; don't pigeonhole yourself into only one narrow application of those skills. The key to every great compliance program, regardless of industry, is the relationships you build in the organization. The ability to partner with other control functions, earn trust, and position yourself as a trusted adviser and resource to the company will hold you in good stead no matter which industry you are working in. Will there be new lingo to learn? Absolutely. Will you need to devote time to learning the industry and the business? Most definitely. Your core skill set, however, remains the same and will be almost entirely transferable.

AT: I want to go back to the subject of workers but in a different way. You have long been concerned with the issues of forced labor and human trafficking. First, can you give an overview for those who are less familiar with the issue?

GH: Of course! The simplest way to think about these issues is using the framework of power. The most basic definition is that human trafficking and forced labor occur when someone *with* power manipulates or coerces someone *without* power in order to make money off their labor. Forced labor often includes withholding of travel documents, threats, and actual detention and abuse (physical, mental, and/or emotional) for the purpose of extracting long working hours out of someone for profit. Human trafficking adds to this concept the idea of physically transporting persons for purposes of obtaining such profit. You can think of it in the same way you might think of transporting a truck full of products to sell at a market somewhere, but in this case, the product is an actual person that is being sold in order to profit off of their labor.

AT: For many, it may seem a remote issue, but it isn't. And it's far too common in the supply chain. Where is it most likely to be found?

GH: Forced labor and human trafficking are far more prevalent than most people understand. The International Labour Organization's 2021 Report estimates there are over 27 million people who are victims of human trafficking and forced labor around the world.^[1] There are many industries in which forced labor can be found, but as the world changes, so do these industries. Historically, human trafficking and forced labor were considered to be primarily limited to the production of foodstuffs—for example, agriculture workers, those

working in the fishing industry, those working to produce cocoa, etc. While this is still an issue, there are now many cases of forced labor found in other sectors, including those working in janitorial, landscaping, and housekeeping services in the hospitality industry. Increasingly, we are hearing about forced labor in so-called “scam mills,” where people think they are accepting a good job in a professional call center but are instead trafficked into what looks like a modern office building and forced to engage in online scams connected to cryptocurrency and banking and, in many cases, romance scams. There was also a belief that human trafficking and forced labor happened “over there” in other parts of the world, but we now know there is trafficking and forced labor in nearly every part of the world. To learn more about the comparative risks in different geographies and industries, I recommend reading the U.S. Department of State’s annual *Trafficking in Persons Report*.^[2]

AT: I think it’s important for people to realize that this isn’t just a reputational risk or a “nice to have.” With the Uyghur Forced Labor Prevention Act, it’s law in the U.S. First, can you give a quick overview for those less familiar with it?

GH: Absolutely. Historically, there was what was called the Consumptive Demand Clause that allowed for the import of goods produced with forced labor into the U.S. when the goods were not produced in the U.S. in “such quantities . . . as to meet the consumptive demands of the United States.”^[3] This clause was repealed in 2015, which meant that U.S. Customs and Border Protection (USCBP) finally had the ability to deny entry into the U.S. of any goods they believed had been produced using forced labor. They did this using what is referred to as a Withhold Release Order (WRO). This process gives importers a period in which to respond to a WRO and prove the negative—prove their goods had not been produced with forced labor—a very difficult burden of proof. During the pandemic, as the need for personal protective equipment surged, so too did the import of goods from countries where human trafficking and forced labor are especially problematic. USCBP created a new “regionwide” WRO through which they announced they would now automatically “presume” certain goods (at first tomatoes and silicon products) produced in the Xinjiang province in China had been made using forced labor due to the mistreatment of Uyghur minorities there. This regionwide WRO was eventually expanded and formalized by Congress into the Uyghur Forced Labor Prevention Act, which has now created a presumption that *all* goods with any type of supply chain connection to the Uyghur Autonomous Region in China have been made with forced labor and should be excluded from the U.S. This act now places the burden of proof on the importer to prove, conclusively, that their goods were not made using forced labor of any kind.

AT: What should compliance teams do if they aren’t already on top of this?

GH: The first step is to conduct a risk assessment and map your supply chain. Is your company doing business in any of the industries or countries identified in the U.S. Department of State’s *Trafficking in Persons Report*? Have you checked your supply chain to see if there are any connections pointing to the Uyghur Autonomous Region in China? Where do your raw materials come from? Do you know for sure? Map out your supply chain! Where do your inputs come from? How do they get to you? Check this data against the multiple data sets out there, identify potential connections to known traffickers, and then address your risks.

AT: Even with the law in place, in some ways, the U.S. is lagging behind Europe, correct?

GH: The U.S. is definitely lagging in comparison to Europe. In January 2023, the EU Corporate Sustainability Reporting Directive came into force. It requires companies doing business in Europe to publicly disclose not only environmental but also social sustainability information to provide investors with the information they need to assess risk as they make investment decisions. In December of 2023, the European Parliament finalized its Corporate Sustainability Due Diligence Directive (CSDDD), the goal of which is enhanced protection of both the environment and human rights by companies doing business in the EU. The directive creates new obligations relating to the assessment of both actual and potential adverse impacts on both the environment and human

rights stemming not only from the operations of EU companies but also the operations of their subsidiaries and the third parties they do business with. Affected companies will need to assess the actual and potential adverse impacts of their operations both “upstream” to their supply chain and “downstream” to resellers, distributors, and recyclers, for example. The directive sets out penalties and civil liability for failure to comply with these obligations and requires companies to adopt a plan for ensuring their business strategy is compatible with the Paris Agreement on climate change. It is expected that compliance with the CSDDD will become a requirement for qualification to participate in public tenders and contracts in the EU. The European Council and Parliament both need to formally adopt the directive, which is expected in 2024.

AT: All of this, to me, is a reminder that we need to pay attention to environmental, social, and governance (ESG) issues. Over and over, we see issues treated as social or aspirational issues eventually becoming law. First, how do we keep our eyes on the horizon?

GH: I view the ability to “look around the corner” and see what is coming as a key risk and compliance skill. It requires ethics and compliance professionals to not only understand what is important to the organization they work for but what is also becoming increasingly important to their constituencies. What is important to their investors and customers and suppliers and employees? As you correctly point out, the so-called “social issues” of yesterday quickly become the compliance requirements of today. Actively seek diverse information sources. Be an insatiable learner. Find information sources outside of the relative “safety” of your ethics and compliance network. Build relationships both within and outside your organization and ask a lot of questions. Learning what keeps other people “up at night” will help you keep your eyes on that rapidly changing horizon.

AT: Second, what do you see as the proper role for compliance programs with ESG efforts? Do you think we should be leading, steering clear, or serving as we do for other legal and regulatory risk areas by ensuring the integrity of the effort?

GH: I think steering clear is a mistake and a missed opportunity. Ethics and compliance professionals have so many transferable skills that can be leveraged to develop and ensure the ESG program’s integrity. Experience with risk assessment, internal controls and mitigation plans, and policy development all lend themselves to both ethics and compliance and ESG. And don’t forget the so-called “soft skills” vital for an effective ethics and compliance officer—the ability to build relationships, build trust, build consensus, protect culture and value, and champion integrity throughout the organization. These skills are all vital to a successful ESG program as well. To your point, I think it’s also vital to remember the Committee of Sponsoring Organizations of the Treadway Commission’s Three Lines of Defense model.^[4] I think there’s significant risk in ethics and compliance officers “owning” ESG programs and risk (a first line function), rather than being part of that second line charged with “monitoring and challenge” of the controls and activities undertaken by the first line. To me, the natural fit for ethics and compliance professionals is in gathering the right people around the table and building a team that will share responsibility for the program, with the primary role of ethics and compliance being to ensure the integrity and alignment of the ESG program with the organization’s other public-facing commitments.

AT: As we look at the big picture, even if compliance stays out of ESG, it does speak to the role of compliance changing as the number of laws and the areas they touch increases. Are you seeing the same?

GH: I am seeing this, but I think that’s a good thing. As the sheer number of regulations increases and they become far more complex, I’ve seen the focus change from primarily a regulatory compliance focus—where the main goal is to comply with the exact wording of each regulation—to more of a values-based compliance approach. What does the organization stand for? Why does it exist other than to make money? Who does it serve, and why? What are its core values and beliefs? This change broadens the lens through which we view ethics and compliance from a narrow set of specific regulations focused on the “letter of the law” to a wider view of the

values and intent of these regulations. I picture it in my mind as a giant Venn diagram like the ones we each learned in elementary school. Are our values broad enough to fully encompass the requirements of the regulations that apply to us—so our values are the bigger circle, and the regulations are the smaller circle encompassed within? If so, your focus can be a values-first approach that leads to better decision-making and far lower regulatory risk. If your values aren't broad enough to fully encompass the regulations you need to comply with, then it's likely time to rethink your organization's values!

AT: Does this change the role of compliance?

GH: Yes, I think it does, but again, for the better. When I started in the profession, the compliance team was viewed as the proverbial police officers of an organization—the “Department of No,” as one of my former coworkers liked to refer to us. There was also a prevailing attitude that accepting some compliance failures was the cost of doing business. This is definitely changing. There is an important shift taking place from ethics and compliance as a necessary evil to ethics and compliance as revenue and value protectors. Organizations work hard and devote huge amounts of resources to finding income and market share, whether that is in the form of commercial sales, fundraising from donors, government grants and contract awards, or a combination of these things. I am really starting to see a switch to a mindset of, “We’ve worked really hard to get this revenue. Let’s not waste it by paying regulatory fines and penalties, and let’s make sure our most valuable resource—our people—feel safe and like they belong here so we don’t waste money on turnover and an endless search for the talent we need to keep growing.” Ethics and compliance teams are becoming the true standard bearers for what “good” culture looks like—for what having a values-based organization looks like—and I think that’s great not only for the profession as a whole but also (at the risk of sounding corny) for the world in general.

AT: So, with that change, how can compliance professionals prepare themselves for the future?

GH: There are so many elements to preparing yourself for the future. Obviously, keeping up to date on regulatory proposals and geopolitical developments is key, and so is reading not only ethics and compliance materials but also articles from thought leaders in your industry and others. Put yourself in the shoes of the leaders of your organization. What are they most concerned about? What are they reading? Which challenges are they trying to navigate, and what problems are they facing? Knowing that will help you determine how ethics and compliance can add value, and how you can best align your work to reinforce and further theirs as a strategic partner. That being said, I’d be remiss if I didn’t also recommend that you embrace and learn as much as you can about where technology is headed. Artificial intelligence, machine learning, and quantum computing will—I believe—change everything. Many jobs that exist today won’t in the future. At the same time, there are certainly new professions on the horizon that very few could have predicted just a few years ago. As technology changes rapidly, so will the workforce, the typical work environment, the regulatory environment, our government institutions, and indeed society in general. This means ethics and compliance professionals must be not only ready for but also must truly embrace the rapid pace of change these new technologies will bring. Look for opportunities to learn as much as you can about as much as you can. Adopt a growth mindset. Be transparent about what you don’t know and ask for help when you need it, experiment with a new approach, fail fast, and learn from your mistakes. If you are consistently devoted to becoming a better version of yourself every (or even most!) day(s), you and the ethics and compliance profession, in general, will be ready no matter what the future brings.

AT: Thank you, Gwendolyn, for taking the time to share your experience with our readers!

¹ International Labour Organization, “Forced labour, modern slavery and human trafficking,” accessed January 10, 2024, <https://www.ilo.org/global/topics/forced-labour/lang--en/index.htm>.

² U.S. Department of State, *2023 Trafficking in Persons Report*, June 15, 2023, <https://www.state.gov/trafficking->

[in-persons-report/](#).

3 U.S. Customs and Border Protection, “Trade Facilitation and Trade Enforcement Act of 2015: Repeal of the Consumptive Demand Clause,” January 10, 2023,

<https://www.cbp.gov/sites/default/files/assets/documents/2016-Oct/Fact%20Sheet%20-%20Repeal%20of%20the%20Consumptive%20Demand%20Clause.pdf>.

4 Douglas J. Anderson and Gina Eubanks, *Leveraging COSO Across The Three Lines Of Defense*, Committee of Sponsoring Organizations of the Treadway Commission, July 2015,

https://www.coso.org/_files/ugd/3059fc_cc80a9492ca743fd90d517049736c4da.pdf.

This publication is only available to members. To view all documents, please log in or become a member.

[Become a Member Login](#)