**Annex IV**

**International Business Compliance**

***Course Syllabus***

Winter 2019

Tuesdays and Thursdays 3:30-5:20

Room 133

William H. Gates Hall

Instructors: Scott Schumacher sschum@uw.edu and Jeffrey Wool jawool@uw.edu

Office Hours: By appointment

**Course Description:** This course addresses the critical role of legal compliance in conducting international business.

Each week will combine one day of traditional lecture and discussion and one day of more interactive debate, negotiation, or presentation.

* Topics will include: the history and development of compliance, risk management, specific areas of compliance such as anti-corruption law, international tax and information security, and particular challenges related to global compliance, etc.

Previous enrollment in business organizations or other international commercial law or transactions courses would be beneficial but is not a strict prerequisite.

**Required Reading Materials**

Geoffrey Parsons Miller, The Law of Governance, Risk Management, and Compliance (2d ed. 2017).

Other supplements will be provided on Canvas throughout the course.

**Method of Evaluation:** This is a graded course. The final grade in the course will be based on the total points received on the following:

Exam (8 hour, take-home exam) 60 points

Assignments (3 assignments, 10 points each) 30 points

Class Discussion and Participation 10 points

**Total Possible Points = ` 100 points**

**Learning Objectives:** At the end of this course students should be capable of: understanding and identifying the key elements of an effective global compliance program; comprehending how a global company assesses and manages risk; recognizing the relationship between corporate culture and compliance; understanding how compliance enforcement functions both within a company and externally; delineating the roles of people important to the compliance function such as lawyers and officers; grasping the basic concepts in several areas of compliance law such as tax, data security, and corruption law; recognizing third party risks a company may face; and understanding particular problems that face global companies and how the law is developing to harmonize across borders.

**Expectations Regarding Weekly Discussion Assignments and Reading:** Please come to every class prepared to discuss the reading materials assigned for that day. The due date for the three assignments are noted in the syllabus. Please submit the written assignments on Canvas before the start of the class on the due date. Assignments will be based on the weekly readings. Each assignment is limited to five (5) pages, and must be submitted double-spaced, Times Roman, 12 pt font.

**Access and Accommodations**:  Your experience in this class is important to us, and it is the policy and practice of the University of Washington to create inclusive and accessible learning environments consistent with federal and state law. If you experience barriers based on disability, please seek a meeting with DRS to discuss and address them. If you have already established accommodations with DRS, please communicate your approved accommodations to your instructor at your earliest convenience so we can discuss your needs in this course.

Disability Resources for Students (DRS) offers resources and coordinates reasonable accommodations for students with disabilities.  Reasonable accommodations are established through an interactive process between you, your instructor(s) and DRS.  If you have not yet established services through DRS, but have a temporary or permanent disability that requires accommodations (this can include but not limited to; mental health, attention-related, learning, vision, hearing, physical or health impacts), you are welcome to contact DRS at 206-543-8924 or uwdrs@uw.edu or disability.uw.edu.

**WEEK 1**

**Introduction to Compliance: The Nature and Scope of Compliance**

**Basic Compliance Principles in Practice**

**Readings:**

**Textbook**

* + Ch. 4 Introduction to Compliance pp. 157-166. pp. 191-196.
	+ Ch. 16 Ethics, Social Responsibility, and Culture pp. 651-667.

**Supplemental Materials**

* Joseph E. Murphy, *Policies in Conflict: Undermining Corporate Self-Policing*, 69 Rutgers U.L. Rev. (2017) [pdf on Canvas] pp. 422-444.
* Daniel Sokol, *Teaching Compliance*, 84 U. Cin. L. Rev. (2016) [pdf on Canvas] pp. 402-407.
* U.S. Dep’t of Justice, Criminal Division, Fraud Section, “Evaluation of Corporate Compliance Programs” (Feb. 2017), [https://www.justice.gov/criminalfraud/page/file/ 937501/download](https://www.justice.gov/criminal-fraud/page/file/937501/download). pp. 1-8.
* Yves Morieux, TEDBCG London, “How too many rules at work keep you from getting things done” (June 2015), <https://www.ted.com/talks/yves_morieux_how_too_many_rules_at_work_keep_you_from_getting_things_done/transcript>
* United States Sentencing Commission, Sentencing Guidelines Chapter 8. <https://www.ussc.gov/guidelines/2015-guidelines-manual/2015-chapter-8>
* US Department of Justice, Memo on Principles of Federal Prosecution of Business Organizations, <https://www.justice.gov/sites/default/files/dag/legacy/2008/11/03/dag-memo-08282008.pdf>
* US Department of Justice, Memo on Individual Accountability for Corporate Wrongdoing, <https://www.justice.gov/archives/dag/file/769036/download>

**Optional Materials**

* Youngme Moon and Eugene Stults, Why They Do It: White Collar Criminals, podcast <https://hbr.org/podcast/2018/04/why-they-do-it-white-collar-criminals>
* Hui Chen and Eugene Stults, Why Compliance Programs Fail and How to Fix Them, <https://hbr.org/2018/03/why-compliance-programs-fail>
* UK Legislation, Bribery Act 2010, <http://www.legislation.gov.uk/ukpga/2010/23/contents>
* U.S. Securities and Exchange Commission, Dodd-Frank Whistleblower Program, <https://www.sec.gov/spotlight/dodd-frank/whistleblower.shtml>

In these sessions, we will introduce compliance as a developing area of corporate law and explore the reasons why companies implement compliance programs.

Questions: What is compliance?

 Why do companies care about compliance?

 Should ethics and/or other social obligations be considered part of compliance?

 Does emphasis on compliance undermine a company’s ability to innovate?

***Lecturers: Jeffrey Wool, UW Law; Jeanine D’Amico Lemker, Microsoft***

**WEEK 2**

**International Risk Management and Compliance**

**Trust and Ethics**

**Readings**:

**Textbook**

* Ch. 18Introduction to Risk Management pp. 709-725, 729-737. (skim questions and comments and Target Corp 2012 10-K).
* Ch. 19 Approaches to Risk Management pp. 739-753, 765-66, 768-770.

**Supplemental Materials**

* Will Jennings, *The Olympics as a Story of Risk Management*,Harvard Business Review, (Aug. 2012), <https://hbr.org/2012/08/the-olympics-as-a-story-of-ris>k.
* Risk Reporting & Key Risk Indicators: A Case Study Analysis, NC State Enterprise Risk Management Initiative (Sept. 2017) [pdf on Canvas] pp. 2-12 ***OR*** 13-22.
* Dupont, Quentin and Karpoff, Jonathan M., “The Trust Triangle: Laws, Reputation, and Culture in Empirical Finance Research.” Journal of Business Ethics, forthcoming, 2019. Available at [https://ssrn.com/abstract=3105693](https://ssrn.com/abstract%3D3105693).
* Karpoff, Jonathan M., “The Grey Areas of Firm Behavior: An Economic Perspective.” Socio-Economic Review, Vol. 12 (January 2014), pp. 167-176. Available at [https://ssrn.com/abstract=2990046](https://ssrn.com/abstract%3D2990046).
* Karpoff, Jonathan M., “Does Reputation Work to Discipline Corporate Misconduct?” [pdf on Canvas]

 These sessions will introduce risk assessment and management as key elements of effective compliance. This material introduces two constructs to conceptualize the relationships between trust, ethics, corporate compliance and accountability, reputation, and culture. The first construct is the Trust Triangle, which highlights three primary mechanisms that provide ex post accountability for opportunistic behavior and motivate ex ante trust in economic relationships. The second construct highlights the importance of ethical considerations when private incentives and social costs diverge. Risk management, compliance, and social investing are easy decisions when they involve positive NPV investments. But not when they are costly to the firm or individual manager.

Questions: What is risk and risk management in the corporate context? What is enterprise risk management? Do they differ? If so how?

 Are compliance and risk management ultimately compatible?

 Who is responsible for identifying and managing risks? Who should be?

 Can you think of any alternatives to risk management? What are some of the ethical or behavioral problems with risk assessment and/or management?

 How would you begin a risk assessment?

 What is risk appetite?

 How much compliance is too much? Is there such a thing as overcompliance? Explain your reasoning.

Researchers have documented that some countries’ legal environments convey more investor protections than others. For example, minority shareholders have greater recourse to challenge the actions of the company’s board of directors in the United Kingdom and South Korea than in such other countries as Italy and Thailand. Do you think firms in countries with greater investor protections will rely more on reputational capital and culture to develop trust with their investors, or less? Explain your reasoning.

 Suppose you are offered a job by a firm that produces ethanol as a fuel additive. Some people argue that ethanol subsidies are harmful, while others argue that ethanol subsidies are helpful because they reduce consumption of petroleum-based gasoline. What should you consider in deciding whether to take the job?

 You work for a large retailer, say Nordstrom, that sources its fabrics through suppliers in a developing foreign country. Supplier A pays lower wages to its workers but charges you less. Supplier B pays higher wages but charges you more. Both suppliers meet health and safety guidelines. Which one should you choose?

 Consider the same question as above, but instead of working for large retailer, you are the owner of a new small firm that sells active sportswear that is designed to empower everyday people to think of themselves as capable athletes. You started this business and are passionate about its mission, and have worked 80-hour weeks nonstop for over a year to get it up and running. Does this affect your decision to go with Supplier A or Supplier B?

***Lecturers: Jeffrey Wool, UW Law; Ben Clark, Expeditors; Jonathan Karpoff, UW Foster***

**WEEK 3**

**Compliance Programs and the Importance of Corporate Culture**

**Written assignment:** An assignment will be handed out on Tuesday and will be due on Thursday January 24th.

**Readings**:

**Textbook**

* Ch. 5 Internal Enforcement pp. 197-211. This material may be more easily understood if you read the supplemental materials first.
* Ch. 7 Prosecutors pp.305-319.

**Supplemental Materials**

* READ CLOSELY United States Sentencing Commission, §8B2.1. Effective Compliance and Ethics Program (and Commentary), [https://www.ussc.go v/guidelines/2015-guidelines-manual/2015-chapter-8](https://www.ussc.gov/guidelines/2015-guidelines-manual/2015-chapter-8) [pdf on Canvas].
* Readings on internal controls [pdf on Canvas]
* Scott Killingsworth, *Modeling the Message: Communicating Compliance through Organizational Values and Culture*, 25 Geo. J. Legal Ethics 961 (2012) [pdf on Canvas]. pp. 961-987.
* Amazon, *Code of Business Conduct and Ethics*, (2017), <http://phx.corporate-ir.net/phoenix.zhtml?c=97664&p=irol-govconduct>.
* Bradley Keoun, *Credit Suisse Bankers Got Secretaries To Do Their Compliance Training*, The Street (Feb. 14, 2018), [https://www.thestreet.com/story/144887 40/1/credit-suisse-bankers-pawned-off-compliance-training-on-secretaries.html.](https://www.thestreet.com/story/14488740/1/credit-suisse-bankers-pawned-off-compliance-training-on-secretaries.html.)

Lynne L. Dallas, *A Preliminary Inquiry into the Responsibility of Corporations and Their Officers and Directors for Corporate Climate: The Psychology of Enron's Demise*,35 Rutgers L.J. 1 (2003). [pdf on Canvas]. pp 45-58

Allison Frankel, *How GM’s legal department failed the company and its customers*, Reuters, June 5, 2017, <http://blogs.reuters.com/alison-frankel/2014/06/05/how-gms-legal-department-failed-the-company-and-its-customers/>

 First, these sessions will introduce compliance programs and their key components. Second, corporate culture and strategies for developing corporate culture will be considered.

Questions:

 What is a compliance program, and what are key components of a

 compliance program? In your opinion, what components are the most important to

 create effective compliance?

 What are the Seven Elements the US Sentencing Commission identifies as key to

 effective compliance? Note how the Guidelines address risk.

 How important is corporate culture to maintaining compliance? Is it possible for a

 company to promote compliance without contemplating corporate culture?

 What level of involvement is needed from corporate executives? Why might

 corporate executives be receptive to compliance work/training or not?

 How can a company promote compliant culture?

***Lecturers: Scott Schumacher, UW Law; Weili Ge, UW Foster***

**WEEK 4**

**Internal and External Enforcement of Compliance Obligations**

**Readings:**

 **Textbook**

* + Ch. 5 Internal Enforcement pp. 211-225.
	+ Ch. 8 Whistleblowers pp. 339-340, 343-359.
	+ Ch. 6 Regulators pp. 229-239 (skim Caldwell remarks), skim pp. 240-252, read 280-295.

**Optional Supplemental Reading**

* Stephen Wilkie, *Cruise ship whistleblower awarded £800,000*, Express (April 25, 2017), <https://www.express.co.uk/news/uk/796499/cruise-ship-whistleblower-awarded-Caribbean-Princess-dumping-waste>.
* Caroline Kitchener,*The Nassar Investigation That Never Made Headlines*, The Atlantic (Jan. 29, 2018), [https://www.theatlantic.com/education/archi ve/20 18/01/the-nassar-investigation-that-never-made-headlines/551717/](https://www.theatlantic.com/education/archive/2018/01/the-nassar-investigation-that-never-made-headlines/551717/).
* Mark Mendelsohn & Alex Oh, *Telia’s $965 Million Global Bribery Settlement*, HLS Forum on Corp. Gov. & Fin. Reg. (Oct. 11, 2017), <https://corpgov.law.harvard.edu/2017/10/11/telias-965-million-global-bribery-settlement/>.

 Even when companies recognize the importance of compliance and implement compliance programs, these programs can fail to ensure compliance. Thus, companies need to police compliance internally. Additionally, government regulatory agencies may take action to ensure that a company becomes compliant by improving its compliance program.

Questions:

 What methods can a company use internally to enforce compliance?

 When should an issue be subject to a small scale versus a large scale

 investigation?

 The book argues that counsel should spearhead investigations. Do you agree? In

 what situations should the company consider having a different party conduct the

 investigation?

 Are whistle-blower policies closely tied to corporate culture? Why or why not?

 Why should a company report noncompliance to a regulatory body?

 Are regulators in a good position to assess company compliance programs?

 Do you think companies should be rewarded for compliance programs through

 penalty mitigation? What perverse incentives does this create for businesses?

 What role should the board play in addressing these matters?

***Lead: Sara Sandford, GSB; Panelists: Noelle Berryman, Expeditors and Kathy Sheehan, Amazon***

**WEEK 5**

**Subject Areas: Corruption Law**

**Readings**:

**Textbook**

* Ch. 13 Foreign Corrupt Practices pp. 569-602.

**Supplemental Materials**

* Criminal Division of the DOJ and Enf’t Division of the SEC, A Resource Guide to the U.S. Foreign Corrupt Practices Act (2012) [pdf on Canvas] pp. 2-35, 52-63, 68-77.
* Charmian Gooch, *Meet global corruption’s hidden players*, TEDGLOBAL (July 8, 2013), [https://www.ted.com/talks/charmian\_gooch\_meet\_global\_corr uption\_s\_hidden\_players](https://www.ted.com/talks/charmian_gooch_meet_global_corruption_s_hidden_players).
* Clifford Chance, *China’s New Anti-Bribery Law—Has Commercial Bribery Been Redefined?* (Jan. 2018) [pdf on Canvas].
* Zeume, Stefan, [Bribes and Firm Value](http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2179437). The Review of Financial Studies, 2017, 30(5): 1457-1489. Available at [https://ssrn.com/abstract=2179437](https://ssrn.com/abstract%3D2179437).
* Karpoff, Jonathan M. and Lee, D. Scott and Martin, Gerald S., Foreign Bribery: Incentives and Enforcement (April 7, 2017). Available at SSRN: [https://ssrn.com/abstract=1573222](https://ssrn.com/abstract%3D1573222).

Foreign bribery is illegal but still occurs. Is foreign bribery a manifestation of an agency problem, or do managers bribe because it is profitable? This session uses evidence from the U.K. Bribery Act and the U.S. Foreign Corrupt Practices Act to draw inferences about the prevalence and profitability of bribery, and the sizes and nature of costs to firms that are caught bribing.

Questions:

 Does a parent corporation need to have knowledge of the bribery in order to be found guilty under the FCPA?

 How might a company prove that its expenses were “reasonable and bona fide”? What kind of evidence would be useful?

 What are some of the possible consequences for corporate leadership violators of the FCPA?

 What are steps a company can take to ensure that its local partners are compliant with the FCPA?

 Is foreign bribery a manifestation of an agency problem, or do managers bribe because it is profitable?

 Consider each of the following types of non-compliance. For each type, how important are legal penalties for deterring non-compliance? Explain.

 a. Financial misrepresentation

 b. Foreign bribery

 c. Data security

 d. Consumer fraud

 e. Employee discrimination

 f. Environmental violations

Consider the list from the question above. Which types of non-compliance pose the largest overall risk to a company’s operations and value? Explain.

***Lecturer: Scott Schumacher, UW Law; Jonathan Karpoff, UW Foster***

**WEEK 6**

**Subject Areas: Financial Compliance**

**Written assignment:** An assignment will be handed out on Tuesday and will be due on Thursday February 14th.

**Readings**:

**Textbook**

* Ch. 14 Anti-Money Laundering, the Bank Secrecy Act, and OFAC pp. 603-623.

**Supplemental Materials**

* KPMG, *Audit Committee Trends*, <https://home.kpmg.com/content/dam/kpmg/pdf/2015/10/audit-committee-trends.pdf>
* *Skim* HSBC Information and Deferred Prosecution Agreement, <https://www.justice.gov/sites/default/files/opa/legacy/2012/12/11/hsbc-info.pdf> <https://www.justice.gov/sites/default/files/opa/legacy/2012/12/11/dpa-executed.pdf>
* Statements on Standards for Tax Services, <https://www.irs.gov/pub/irs-utl/statements_on_standards_for_tax_services.pdf>

Questions:

 What are the compliance risks companies face with respect to the Bank Secrecy Act and money laundering?

What are the safeguards that must be put in place in light of these risks?

What are the roles of officers, the board of directors, and the audit committee in ensuring tax, BSA, and other compliance matters?

What are the rules for reporting uncertain tax positions on tax returns?

***Lecturers: Scott Schumacher, UW Law; Brian Ugai, UW Law; and Bryon Christensen, Microsoft***

**WEEK 7**

**Subject Areas: Cybersecurity and Data Privacy Compliance**

**Readings**:

**Textbook:**

* Ch. 11 Information Security pp. 495-514, and 522-535.

**Supplemental Materials**

* Noah G. Susskind, *Cybersecurity Compliance and Risk Management Strategies: What Directors, Officers, and Managers Need to Know*, 11 N.Y.U. J.L. & Bus. 573 (2015). [pdf on Canvas]. pp. 573-596.
* Alyssa Newcomb, *A timeline of Facebook’s privacy issues – and its responses*, NBC News (Mar. 24, 2018), [https://www.nbcnews.com/tec h/social-media/timeline-facebook-s-privacy-issues-its-responses-n859651](https://www.nbcnews.com/tech/social-media/timeline-facebook-s-privacy-issues-its-responses-n859651).

EU: General Data Protection Regulation

* Sheera Frenkel, *Tech Giants Brace for Europe’s New Data Privacy Rules*, N.Y. Times (Jan. 28, 2018), [https://www.nytimes.com/2018/01/28/tec hnology/europe-data-privacy-rules.html](https://www.nytimes.com/2018/01/28/technology/europe-data-privacy-rules.html).
* GDPR Key Changes https://www.eugdpr.org/key-changes.html OR

DLA Piper, EU General Data Protection Regulation – Key Changes <https://www.dlapiper.com/en/uk/focus/eu-data-protection-regulation/key-changes/> (last visited Feb. 13, 2018).

* General Data Protection Regulation GDPR <https://gdpr-info.eu/>.
* Salvador Rodriquez, David Ingram, & Douglas Busvine, *Privacy issues emerge as major business risk for Facebook*, Reuters (Mar. 19, 2018), <https://www.reuters.com/article/us-facebook-privacy-costs-analysis/privacy-issues-emerge-as-major-business-risk-for-facebook-idUSKBN1GW01F>.

Questions:

 What is the biggest threat to cybersecurity?

 How should companies respond after a data breach?

 What are some of the differences between US and EU data protection?

 What types of companies are most at risk? Why?

 Who should be responsible for cybersecurity and data privacy?

***Lecturers: Kathy Sheehan, Amazon and Aravind Swaminathan, Orrick***

**WEEK 8**

**Third Party Compliance Issues**

**Readings**:

**Supplemental Materials**

* Carole L. Basri, Corporate Compliance (2017) [pdf on Canvas] pp. 683-700, 709-716
* Deloitte, *Extended Enterprise Risk Management White Paper*, (2017), <https://www2.deloitte.com/us/en/pages/risk/articles/extended-enterprise-risk-management-report.html>. [pdf on Canvas]. pp. 1-9.
* Microsoft, *Standards of supplier conduct at Microsoft*, [https://www.microsoft .com/en-us/procurement/supplier-conduct.aspx.](https://www.microsoft.com/en-us/procurement/supplier-conduct.aspx.)
* Fact Sheet: Disclosing the Use of Conflict Minerals, SEC (Mar. 14, 2017), <https://www.sec.gov/opa/Article/2012-2012-163htm---related-materials.html>
* Stephen Nellis, *Apple finds supplier problems as its audits expand*, Business Insider (Mar. 7, 2018), <http://www.businessinsider.com/r-apple-finds-supplier-problems-as-its-audits-expand-2018-3?r=UK&IR=T>
* Criminal Division of the DOJ and Enforcement Division of the SEC, A Resource Guide to the U.S. FCPA (2012) – already listed as a supplementary material in the Week 5 reading list.  (Pages 21-23; 31-33; 57-65). <https://www.justice.gov/criminal-fraud/fcpa-guidance>
* DOJ Corporate Enforcement Policy (USAM 9-47.120)  Available at:  <https://www.justice.gov/criminal-fraud/corporate-enforcement-policy>
* “Potential FCPA Liability for Third-Party Conduct,” Robert C. Blume, John D.W. Partridge, and Tafari Nia Lumumba (Gibson, Dunn & Crutcher LLP with Practical Law Litigation); Resource ID: W-003-5494 (2017) [pdf on Canvas]
* OFAC Enforcement Press Release - Dentsply Sirona Inc (Dec 6 2017) [pdf on Canvas]

Questions:

 Think back to some of the previous lectures. How did third party issues come into play?

 What are the third parties companies should be concerned about?

 How might third party issues create conflicts between countries or between a company and its suppliers/vendors/contractors?

 What should be included in third party codes of conduct?

 Other than conflict minerals, can you think of other problems that the government may address through requiring companies to conduct third party monitoring?

***Lecturers: Kumar Vijayaraghavan, Microsoft, Doug Grandstaff, PACCAR; Ben Cohen, Boeing***

**WEEK 9**

**Transnationalization of compliance law and practice, general overview**

**Written assignment:** An assignment will be handed out on Tuesday and will be due on Thursday March 7th.

**Readings**:

**Supplemental Materials**

* Carole L. Basri, Corporate Compliance (2017) [pdf on Canvas] pp. 717-724, 732-745. Skim section concerning the Federal Sentencing Guidelines.
* J.H. Dalhuisen, *Globalization and the Transnationalization of Commercial and Financial Law*, 67 Rutgers U.L. Rev. (2015) [pdf on Canvas] pp. 19-23, 33-35.
* Olaf Dilling, *From Compliance to Rulemaking: How Global Corporate Norms Emerge from Interplay with States and Stakeholders*, 13 German L.J. III (2012) pp. 381-401.
* Joachim Ebert, Omar Haez, Amiya Setu, *Managing Regulatory Challenges in a Global Marketplace*, AT Kearney Industry Week (Mar. 10, 2011), http://www.industryweek.com/regulations/managing-regulatory-challenges-global-marketplace. Read through 3) Knowledge management within the organization.

 These sessions will enable students to identify the unique compliance problems facing multinational corporations and the ways they attempt to address them.

Questions:

 To what extent is law and practice relating to compliance transnationalizing? Are the particular areas of compliance that are transnationalizing faster than others?

 Is it possible for a company to have a single international compliance program?

 Is there a need for transnational minimum standard on compliance?

 The rest of Dilling’s article discusses some of the pitfalls of corporate-led transnantionalization. Can you see what some of these might be? What are some of the benefits?

 What role do NGOs play in harmonizing global compliance?

***Lecturers: Jeffrey Wool, UW and Ben Clark, Expeditors***

**WEEK 10**

**Transnationalization of compliance law and practice, expanded case study**

**Readings:**

**Textbook**

* Review Ch. 16 Ethics, Social Responsibility, and Human Rights pp. 651-662

**Supplemental Materials**

* Expanded Starbucks case study
* Mahita Gajanan, *Want to Use the Starbucks Bathroom? These are Your Rights*, Time <http://time.com/5241671/starbucks-philadelphia-bathroom-rights/>
* Molly Roberts, *Starbucks’ new bathroom policy is a callback to its founding credo*, The Washington Post <https://www.washingtonpost.com/blogs/post-partisan/wp/2018/05/23/starbucks-imagines-a-utopia/?utm_term=.8c2f6317f71f>
* Henry Hanks, *Women welcome at a Saudi Arabia Starbucks shop after temporary ban*, CNN <https://www.cnn.com/2016/02/07/world/saudi-starbucks-women-ban-feat/index.html>

Questions:

 Many companies have corporate codes of conduct with corporsate social responsibility principles that may conflict with the laws of jurisdictions the company operates in. Should these companies continue to operate in jurisdictions where the local law conflicts with the companies’ code of conduct?

 Consider the role of frontline employees. To what extent should a company be responsible for decisions made by its frontline employees? How should employee training programs prepare employees to deal with possible conflicts between local law and corporate policy?

***Lecturers: Jeffrey Wool, UW; Zabrina Jenkins, Starbucks***