

Interview of Jay G. Martin, former Associate General Counsel and Chief Compliance Officer at Baker Hughes, a GE Company

In May 2019, Jay G. Martin joined Willkie Farr & Gallagher LLP after 15 years as the Chief Compliance Officer (“CCO”) at Baker Hughes, a GE Company. During his tenure, Jay became one of the most respected voices in the world on compliance matters. He led Baker Hughes from a second FCPA enforcement action in 2007 to having a best-in-class compliance program. Along the way, he trained and mentored a generation of compliance professionals: Baker Hughes Legal Compliance function was the training ground for more than 15 future Chief Compliance Officers or General Counsels. Here, Jay gives his views on some of today’s hottest compliance questions for the Willkie Compliance Concourse App.

Q: What are some of the most important compliance risks facing companies today?

JGM: Globalization, overlapping jurisdiction among countries, the rapid pace of today’s business activity, and tight legal and compliance budgets have created significant compliance challenges for companies. In addition, the increasingly global reach of the laws and enforcement in the areas of anti-corruption, import/export, economic sanctions, money laundering, and privacy has made compliance more challenging and potential liability and penalties, both corporate and personal, more likely.

Q: How have you seen companies effectively manage their growing compliance risks?

JGM: Companies are increasingly placing greater emphasis on risk assessments. These can range from global enterprise risk assessments to more targeted risk assessments in select high risk legal areas like anti-corruption, sanctions, and privacy. These risk assessments enable general counsels and CCOs to effectively allocate compliance resources proportionately to compliance risks. On the back end, more companies than ever are more focused on monitoring the performance of the compliance program and, in particular, high-risk areas like third parties.

Q: What impact has the DOJ’s April 2019 Evaluation of Corporate Compliance Programs had for General Counsels and CCOs?

JGM: Any guidance from regulators is helpful, and DOJ’s 2019 Guidance for Corporate Compliance Programs builds on its 2017 DOJ Guidance for Compliance Programs, adding more detailed explanations on key compliance topics. In particular, the 2019 DOJ Guidance reinforces the idea that a company’s compliance program must be integrated into its business and operationalized effectively. This underscores the increasing sophistication of the enforcement community on compliance matters and makes clear just having a “paper program” won’t cut it.

Q: With increasing pressure on in-house counsel and compliance budgets, how can GCs and CCOs do more and better with their limited resources?

JGM: First, they should ensure that company’s existing attorneys and compliance personnel are focused on the most important risk areas. Second, they should partner with and leverage

the resources of other departments within the company, like Finance, Audit, Security, Health Safety & Environment, Legal and Human Resources. Third, embedding compliance responsibility and accountability in the business lines has the benefit of creating a culture of compliance and maximizing the reach of compliance.

Q: You were so successful as a CCO for so long, and have served as a mentor to so many professionals, what advice do you have for today's compliance professionals?

JGM: Compliance professionals must be trusted advisors to the business. This means approaching issues from both a legal and business standpoint. Communicate on a regular basis the critical importance of integrity and values, making it clear what matters most when there is a conflict between a business objective and the company's values. Be a leader and lifelong learner and demonstrate courage, candor, and transparency in all your dealings. Finally, develop a network of internal and external subject matter experts to support your professional growth and development and that of your group.

Q: Why did you decide to join Willkie Farr and Gallagher LLP?

JGM: I was very familiar with Willkie's top-notch Compliance and Enforcement Practice from working with the firm at Baker Hughes. I saw first-hand that Willkie has one of the broadest, deepest, and most accomplished compliance, investigatory and enforcement practices of any international firm. Willkie has over the years handled some of the highest profile FCPA and securities law enforcement cases and handles many more sensitive matters effectively and discreetly. I was attracted to the firm's ability to handle not only compliance counseling, investigations and defense, but also the collateral consequences that so often accompany complex regulatory investigations, like financial disclosure issues, shareholder lawsuits, investigations by multi-lateral development banks, debarment and exclusion, and follow-on civil litigation. That expertise, offered seamlessly from leading professionals in Washington, New York, and London—and now Houston—made Willkie an excellent platform for me to advise on significant compliance matters across a broad range of industries.