

# How to Structure Your Compliance Department

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Peter S. Spivack, Esq.  
Partner  
Hogan & Hartson

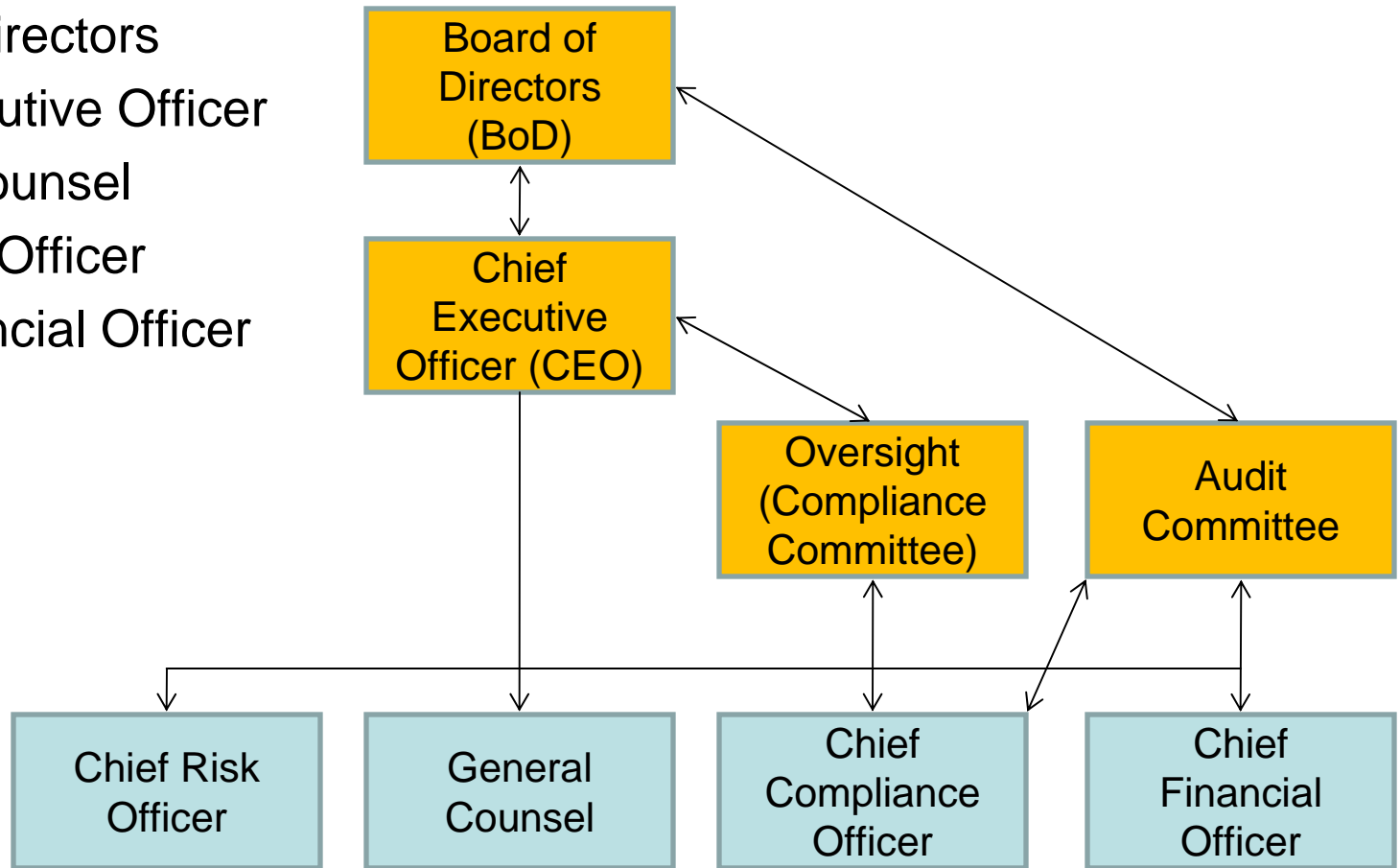
Doreen F. Shulman  
Vice President, Chief Compliance and Ethics Officer  
Bristol-Myers Squibb

Jack T. Tanselle  
Director  
Navigant Consulting, Inc.

*The statements made by the presenters during this session represent their individual views and should not be construed to represent the views of their respective organizations.*

# Reporting Relationship Options

- Board of Directors
- Chief Executive Officer
- General Counsel
- Chief Risk Officer
- Chief Financial Officer
- Others?



# OLG's Perspective on Chief Compliance Officer Reporting to General Counsel

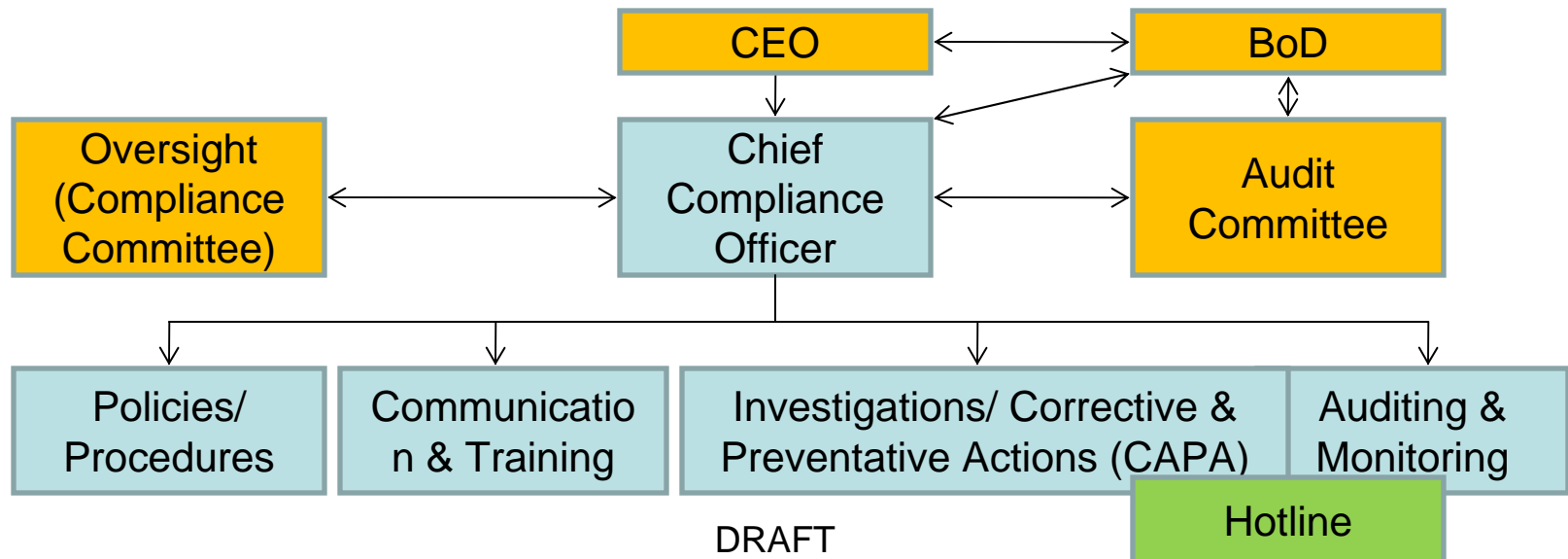
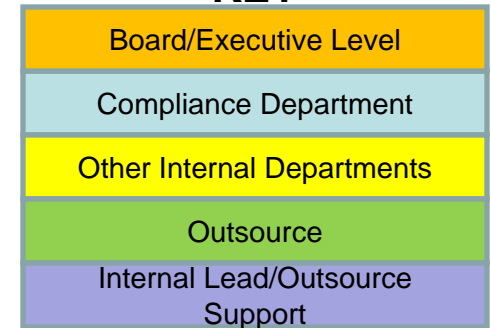
- “The role of an attorney is, within the bounds of the law, to come up with the best defense possible for his or her client. The compliance officer should look a little bit more like a choirboy, bringing common sense and an ethical compass to upper management.”
- “The lawyers tell you whether you can do something, and compliance tells you whether you should. We think upper management should hear both arguments.”

Lewis Morris, Chief Counsel, Office of Counsel  
to the Inspector General, Office of Inspector  
General, Department of Health and Human Services

# Organizational Structure Options

- Centralized
  - The compliance department has more employees who report through the Chief Compliance Officer and are responsible for overseeing and implementing the compliance and ethics program.

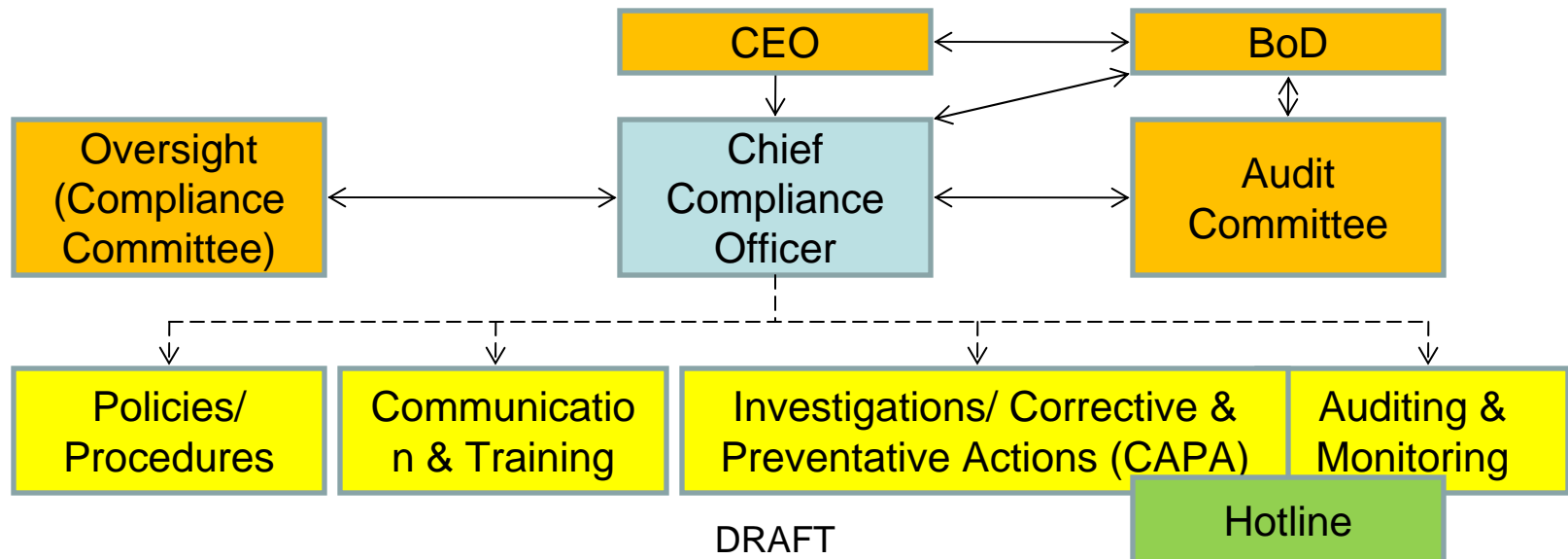
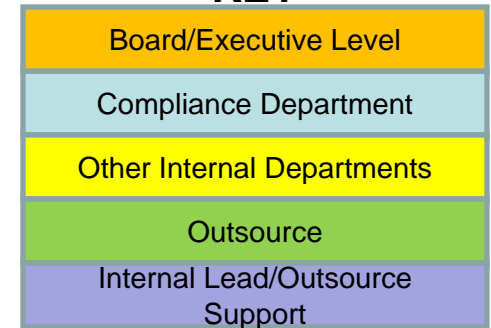
## KEY



# Organizational Structure Options

- Decentralized
  - The compliance department has fewer employees and business unit employees have increased responsibilities for implementing the compliance and ethics program.

## KEY



# Organizational Structure Options

- Hybrid
  - A combination of employees within and outside the compliance department
  - Support from outside counsel and consulting firms
  - Employees within the compliance department oversee the support work done by others (i.e., other resources serve as department staff).

## KEY

