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BREAKFAST AND EDUCATIONAL BRIEFING

Economic Crime in the Digital Age: Latest Developments in Fraud, Anti-Corruption and Cyber Crime

- SEC & DOJ Enforcement & Litigation Trends, Tools & Tactics
- Cyber Crime, Cyber Security Preparedness

Tuesday, May 20, 2014
9:00 a.m. – 11:30 a.m.

The University of Pennsylvania Law School
Silverman Hall, 2nd Floor
3501 Sansom Street, Philadelphia, Pa 19104

Cooperating Program Developer:

FACULTY:
From the Government:
Hon. Renee Marie Bumb
United States District Judge, District of New Jersey, Camden, NJ

Hon. Noel L. Hillman
United States District Judge, District of New Jersey, Camden, NJ

Matthew S. Queler
Assistant Chief, Foreign Corrupt Practices Act Unit, Fraud Section, Criminal Division, U.S. Department of Justice, Washington, D.C.

Matthew C. Solomon
Chief Litigation Counsel, Division of Enforcement, U.S. Securities and Exchange Commission, Washington, D.C.

Panel:
John J. Carney
Partner, BakerHostetler, New York

Joshua Drew
Vice President and Associate General Counsel, Ethics & Anti-Corruption, Hewlett-Packard Company, Wayne, PA

Mark Gerber (Moderator)
Partner, Forensic Services, PwC, Philadelphia

Gary G. Grindler
Partner, King & Spalding; Former Deputy Attorney General, U.S. Department of Justice, Washington, D.C.

Mary P. Hansen
Partner, Drinker Biddle & Reath LLP, Philadelphia

Sean M. Joyce
Principal, Washington Metro Cybersecurity, Anti-Corruption, Intelligence, PwC; Former Deputy Director, FBI, Washington, D.C.

Paul A. Weissman
Managing Counsel, Merck & Co., Inc., Whitehouse Station, NJ
"Our Sanctions Must Have Teeth"

… “to make our own enforcement program even more robust and responsive to the issues presented by interconnected and fast moving markets.”

SEC Chair Mary Jo White, March 24, 2014

The SEC is sending an “undeniable message of deterrence” backed up by harsher monetary penalties, non-monetary sanctions and other remedies with “real bite”.

What New and Additional Initiatives Are the SEC's and DOJ's Priorities Now?

Across a wide swath of issues, companies and their advisors have to deal with a changing landscape.

- **The SEC is requiring admissions in more situations.** Since December 2013 the SEC has required admissions in half a dozen cases. Observers are surprised at how many instances of this approach are being used instead of “neither admit nor deny.” Is this a leading indicator of what is likely to be an increasingly common tactic in many settlements this year?

- **Insider trading investigations** are expanding and growing in numbers. What’s on the horizon?

- **Cooperation tools:** There are increasing opportunities for cooperation leading to substantially reduced charges. Over 75 companies and individuals are now in the cooperative program.

- **The SEC’s whistleblower program** has yet to produce many payouts. Is this the year there will be more frequent and greater payouts as the program gains momentum.

- **Disgorgements and penalties** are zooming upward for companies and individuals. Will they continue to escalate?

- **Cyber Crime:** Many more data breach cases are expected as cyber crime results in financial and intellectual property losses, and shareholder derivative actions are looming in the aftermath.

**DOJ: “New Blueprint for Further Actions”**

The DOJ is taking a tougher line on civil cases with large reported fines and other conditions in settlements. We will discuss the new emphasis on Board responsibility to oversee remedial actions as well as the latest DOJ actions in FCPA, and anti-corruption and multi-jurisdictional coordination with regulators in other agencies and other countries.

**Cyber Security and Cyber Crime Initiatives**

Cyber threats are “real and immediate”. Counsel and senior company officials need to address cybersecurity practices and how to work with government experts, security and other advisers. No company can ignore the significant legal, disclosure, criminal, and reputational risks posed by cyber intrusions and their fallout. A segment of the briefing is devoted to these issues.

**Why Attend?**

Our expert panel will analyze the trends and suggest actions you need to consider as a result of the latest investigations and initiatives at the SEC and DOJ. Gain a complete picture of what they are is focusing on in just one morning out of the office.

**TOPICS FOR DISCUSSION:**

8:30 a.m.–9:00 a.m. Breakfast & Registration; 9:00 a.m.–11:30 a.m.

**Program**

1. **SEC “HOT” TOPICS**
   A. RoboCop, Informants and Broken Windows - How Technology and Tactics are Changing Corporate America
      1. Data analytics; including an overview of Accounting Quality Model (AQM), for detection and investigation
      2. Whistleblower program update; incentivizing individuals, response vs. retaliation
      3. Broken window approach
      4. When is “neither admit nor deny” still applicable?
      5. Administrative proceedings
      6. Cooperation program including Deferred Prosecution Agreements (DPAs) with individuals
      7. Settlements; tougher sanctions
      8. Renewed focus on gatekeepers
   B. Role of the Division of Economic and Risk Analysis and Data Analytics
   C. Role of the Financial Reporting and Audit Task Force
TOPICS FOR DISCUSSION Continued.

2. **DOJ “HOT” TOPICS – EMPLOYEE MISCONDUCT AND CORPORATE LIABILITY – DOES ONE BAD APPLE SPOIL THE WHOLE BUNCH?**
   A. Insider trading; *Contorinis, Martoma, SAC* and Beyond; changing standards for disgorgement, treatment of individuals
   B. Recent developments in fraud, anti-corruption, FCPA, multi-jurisdictional coordination
   C. Settlements; criminal/civil liability exposure; expansion and oversight of settlements.
   D. Cooperation with regulators and use of admissions
   E. New DOJ tools and expanded use of existing tools
   F. New emphasis on risk management, new doctrines of supervision, effective compliance programs

3. **Cyber Crime Update: Latest Developments**
   A. New SEC guidance on cyber security examination preparedness
   B. NIST – New standards for government/company cooperation and the Cyber Security Executive Order
   C. Working with the government: U.S. Attorney’s Office, DOJ, FBI
   D. Board perspective and risk management oversight
      1. Managing insider threats
      2. Cyber security as an enterprise risk and strategic corporate issue/risk
   E. Incident response strategies: dealing with multiple legal issues and remedies for company employees, customers including breach notification
      1. Security and breach notification rules and policies
      2. Privacy and data protection
   F. Defending against attacks – preventive and defensive strategies in multiple jurisdictions
   G. Cyber insurance coverage

**REGISTRATION FORM:** Complimentary Breakfast Briefing
**Economic Crime in the Digital Age:**
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Name: __________________________________________
Title: __________________________________________
Company/Firm: __________________________________
Address: ________________________________________
City: ___________ State: _______ Zip: ___________
Phone: ______________________________
Email: ______________________________

Return Registration Form to: lisacolombo@sandpiperpartners.com OR fax to 973-278-8833. Questions? Call 973-278-8800.

Parking is available in the parking garage at 34th & Chestnut.

**COOPERATING PROGRAM DEVELOPER**
**About PwC:** PwC Forensic Services team of experienced professionals is dedicated to meeting the challenges caused by fraud allegations, financial crimes and other irregularities. Our portfolio of services includes: Financial Crime Examinations, Forensic Technology Solutions, Regulatory Compliance Reviews, Fraud Risk Management and Fraud Prevention, Dispute Analysis and Litigation Support. The Forensic Services team also manages the PwC Fraud Forum, an exclusive community where members can gain knowledge, participate in events and share important insights on preventing, detecting and investigating fraud, corruption and economic crime. See www.pwc.com/us/forensics and http://usfraudforum.pwc.com for more information.

**PROGRAM ORGANIZER**
**About Sandpiper Partners LLC:** Sandpiper Partners is a consulting firm run by industry advisors Stephen and Lynn Glasser, who for more than a decade have organized economic crime, SEC, and DOJ briefings. They assist law firms, law departments, advisers and information providers serving the legal industry. www.sandpiperpartners.com

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