

# The ACR Brief

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## Cleaning Up After Car Wash

When anti-corruption fines reach the billions, and authorities discover a business unit called the “Department of Bribes,” remediation is going to be a major undertaking. “We needed a complete transformation of our corporate governance,” Olga Pontes, CCO of construction conglomerate Odebrecht, said at last week’s Society for Corporate Compliance Ethics conference in National Harbor, Maryland. In December 2016, [Odebrecht settled](#) with authorities in the U.S., Brazil and Switzerland, agreeing to pay a record \$2.6 billion in fines.

Pontes said that her main challenge has been to “show that the transformation was possible” and “to find a light in the tunnel that is not the train coming.” Odebrecht streamlined its business divisions, shedding many of them, and centralized compliance. Each divisional compliance head reports on the same indicators and those reports are communicated to the board on a regular basis. Her compliance team now numbers 96 people, up from 30 in 2015, even though the company itself is now smaller. Compliance spend rose from R\$11 million (about \$2.6 million) in 2015 to R\$81 million (about \$20 million) in 2019.

The Odebrecht case is part of the sprawling Operation Car Wash investigation. Petrobras, the central focus of Car Wash, [settled](#) with the U.S in 2018, making [wholesale changes](#) to its operations. The tentacles of Car Wash have reached far and wide, and we have looked at the [effect the investigation is having](#) on doing business in Latin America. Related cases keep coming in the U.S. and around the globe – for example, in July, [Technip](#) settled with the DOJ in a Car Wash-connected case for \$296 million, and it reached an agreement with the SEC just this week.

Even if the compliance challenges at your company are not on the level of Odebrecht’s, we have resources to help with the remediation activities Pontes discussed, such [as interacting with the board](#), [building a code of conduct](#), [implementing compliance initiatives](#), [designing a training program](#) and [monitoring transactions effectively](#) and many more. What compliance challenges are you and your clients currently struggling with?

Rebecca Hughes Parker, Global Editor-in-Chief

**Commented [MZ1]:** I think we could just cut these two paragraphs and move the Odebrecht link up to the first paragraph. I think they are good paragraphs and am fine keeping them but I think the Brief itself would be a little tighter without them.