



Foley & Lardner LLP Selects Neota Logic Technology Platform to Power Award-Winning Foley Global Risk Solutions Offering

CUSTOMER PROFILE

Foley & Lardner LLP is an international law firm that offers legal guidance in a wide array of practice areas, including intellectual property, business law, litigation, and government regulations/public policy. The firm's clients and other opinion leaders in the legal industry have recognized Foley for providing exceptional client service, value, and innovation. For 13 consecutive years, Foley has been awarded a spot on the BTI Client Service A-Team, a client service survey of *Fortune* 1000 corporate counsel. Foley was also recognized as one of the top 10 best-branded law firms and a "Best of the Best" client service strategist in the BTI Brand Elite 2015 survey.

BUSINESS SITUATION

One area of the law in which Foley has extensive experience representing clients is the Foreign Corrupt Practices Act (FCPA), a federal anti-corruption/anti-bribery statute. The Department of Justice (DOJ) and Securities & Exchange Commission (SEC) have been especially aggressive in enforcing the FCPA in recent years, with FCPA violations routinely resulting in penalties and settlements in the tens of millions of dollars.

"I've been counseling clients on FCPA compliance for a number of years, and I began to observe some interesting developments," said David Simon, partner at Foley & Lardner. "We started seeing FCPA investigations migrating to smaller companies, not just the large multinational corporations that were the traditional targets. While our clients were increasingly recognizing the importance of having an FCPA compliance program, they needed help on a more practical level. They needed guidance on how to actually implement their FCPA compliance programs."

As Simon summarized, "we perceived a real client need that wasn't being addressed by law firms, compliance consultants, or other professional services providers. There were many U.S. companies – particularly, but not exclusively, middle-market manufacturers – that had FCPA risk profiles that far exceeded their in-house legal and compliance resources."

A key concern expressed by many companies is the cost of developing an internal anti-corruption program. Simon commented that clients with international operations oftentimes see the risks the FCPA poses to their business, but they do not want to hire an FCPA compliance staff in-house and are skittish about the very high costs associated with paying outside lawyers by the hour to help.



According to Simon, this is understandable: “Anytime company executives read about the FCPA there is a multi-million dollar figure next to it. This is totally unrealistic for companies of this size and they see the high billing rates from lawyers and accounting firms. They know they have a problem, but don’t know how to solve it. The result has been compliance paralysis.”

Foley Global Risk Solutions (GRS) was designed to solve this real business problem. “After much external research and internal discussion, we decided that the solution for us was to design and build a technology-powered offering from scratch,” said Simon. “We designed our offering to fill that gap – to provide an implementable, executable, affordable FCPA compliance program to these companies – one that addresses the government regulators’ expectations and is effective in dealing with potential bribery problems.”

Simon and Senior Counsel John Turlais, a colleague in Foley’s FCPA Practice, set out to design the new GRS offering. They worked closely with Jennifer Raatz, a Practice & Client Solutions Consultant at Foley, who provided business insights to help translate the concept to reality.

“Since the regulators’ expectations were important to us, we started with what the DOJ and SEC have told the business community about what they expect from an effective FCPA compliance program and built our offering around it.”

-David Simon, Partner at Foley & Lardner

“Our task was figuring out a way to address each hallmark and to deliver high-quality legal services at a price that reflected real value to these clients. That required taking a different approach. We felt it was important to offer the service for a fixed annual subscription fee and we felt it was important to include, as part of the service, unlimited ‘curbside counseling’ – privileged legal advice on FCPA issues –for our clients.”

The business concept for Foley GRS was to use a Web-based platform to deliver a cost-effective solution that combines traditional legal advice with cutting-edge technology. The goal was to help clients implement an effective anti-corruption compliance program, but to do so for less than it would cost a company to hire an FCPA compliance manager or to keep a top law firm on an hourly retainer.

TECHNOLOGY SOLUTION

Once the business case was created and approved by Foley's management team, the GRS team went out in search of the technology partners that would help them deliver the solution they envisioned.

"One of our colleagues met Michael Mills, a co-founder of Neota Logic, at an industry conference and thought the Neota Logic technology might be worth a look for the new FCPA compliance offering we were building," recalled Simon. "I reached out to the Neota team and requested a demo of their platform. I knew immediately there was great potential for us to collaborate on the development of Foley GRS."

Neota Logic is a global provider of an innovative expert system software platform that allows for the rapid building and deployment by non-programmers of rules-based applications. The technology utilizes Artificial Intelligence (AI) to automate the delivery of expertise and other complex workflows, such as providing legal counsel related to FCPA compliance.

Simon and Turlais spent the next several weeks exploring possible synergies between the Neota Logic technology and the GRS platform they had mapped out. The partnership was quickly forged and the development work began.

“ We found Neota's application to be very simple to deploy and maintain, which was essential for us to scale the GRS offering in the way we envisioned. ”

-David Simon, Partner at Foley & Lardner

"Neota's team proved to be true partners on our journey, helping us at every step of the way as we created and tested the product. It was very rewarding to see our vision come to fruition."

GRS was launched in early 2015. The product incorporates business and compliance risk assessments, current updated policies and procedures, training for officers and employees, regular communications on FCPA-related issues, and access to legal advice and counseling on FCPA issues that arise during the course of business operations. The product is offered to companies for an annual subscription fee, and, within a couple of months of adoption, they are typically up and running with an FCPA compliance program.

In November 2015, Foley GRS received the Wisconsin State Bar Association's Legal Innovator Award, an annual award that showcases leading innovations changing the legal landscape and providing new ways to deliver legal services. GRS was also awarded the 2015 Innovation Quotient award by BizTimes Milwaukee.



BENEFITS

“The Neota Logic technology plays a really important role for us in being able to provide this first-class FCPA compliance service at a price that companies of all sizes can afford.”

-David Simon, Partner at Foley & Lardner

“Neota’s platform allows us to leverage our attorney knowledge. We built a lot of our conclusions and our expertise into the platform itself, which allows us to then offer it to a larger group of clients that normally might not be able to afford a this robust level of FCPA counsel.”

In particular, there are two key areas in which Neota’s technology has enabled the Foley GRS offering to deliver important value to clients:

- Risk Assessments

“Under the FCPA, one thing that the government expects you to do is to do a risk assessment,” said Turlais. “These program should be tailored to the specific risks that the company faces, and that starts with assessing bribery risk.”

Using Neota Logic’s intelligent software technology, Foley GRS is able to collect the client-specific information that goes into a risk assessment and present it quickly in a very organized format. This speeds the overall process so that something that would ordinarily take months can be accomplished in just a couple of weeks.

The risk assessment culminates in a traditional lawyer counseling session and a few basic deliverables in the Foley GRS dashboard: (1) an FCPA “heat map” that provides a high-level assessment of the risk based on location and volume of business transactions; (2) a business risk score, which measures the client’s risk profile based on how they are going to market, who their clients are, and how heavily the company is regulated; and (3) a compliance progress chart that provides a graphical view of what their existing compliance program looks like and how it stacks up against what the government expects under the hallmarks of an effective compliance program.

- Curbside Counseling

A second GRS module powered by Neota Logic is called “Curbside Counseling.” This module designed to collect all of the information that Foley’s lawyers would otherwise ask if they were sitting down and speaking with an individual client.

“ For example, if a GRS user clicks through a variety of intake questions related to meals and entertainment, they are asked questions such as whether they are going to entertain a foreign official. ”

-John Turlais, Senior Counsel

“The system provides educational guidance for who qualifies as a foreign official, asks the user to describe what specific entertainment is involved, and creates a trail of similar questions and answers that need to be documented.”

The Neota Logic technology also powers the educational component of Foley GRS’ Curbside Counseling. The platform automates an information gathering process that would otherwise take place during multiple interviews. If information gleaned from the responses prompt additional questions – or trigger any caution signs – then the client will be advised to follow-up with a Foley attorney in person for more specific and individualized counseling.

“These modules are made possible by having the Neota Logic platform,” said Turlais. “It allows us to deliver the excellent legal services for which Foley is known in the area of FCPA compliance in a way that is more efficient and ultimately more cost-effective.” Foley GRS has exceeded all of the internal projections in its first year. Simon points to the collaboration with Neota Logic as one of the keys to the success of this groundbreaking initiative. “The genius of Neota Logic’s technology is that it is amazingly powerful and yet extremely simple to use,” said Simon. “They have figured out how to leverage the true capabilities of expert systems technology into a toolkit that makes it easy for any non-technical team to deploy. Neota has created an elegant software platform that powers parts of our GRS offering.”

To view a recording of a webinar regarding the creation of the award-winning Foley Global Risk Solutions offering, please [click here](#).

