# Integrity 101: What Every Pension Professional Should Know



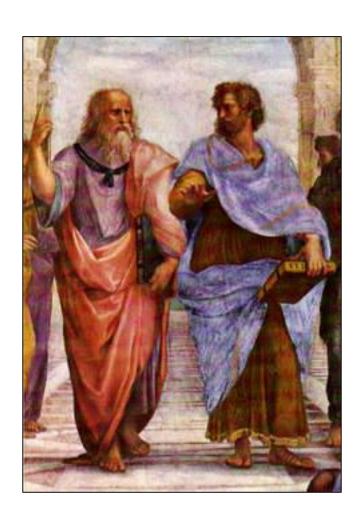
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#### **Overview**

- Understanding integrity
  - What is it
  - Why it matters
- How ASPPA's Code supports high-integrity practice
- Integrity and litigation risk

#### What Is Integrity?





#### **Defining Integrity**

Integrity can be defined\* three ways:

**Incorruptibility:** adherence to moral values

Soundness: an unimpaired condition

**Completeness:** the state of being undivided

\*Adapted from the Merriam-Webster Online Dictionary



#### **Defining Integrity**

In professional practice, that translates to:

**Incorruptibility:** strong professional ethics

**Soundness:** robust practices

Completeness: unbiased expertise

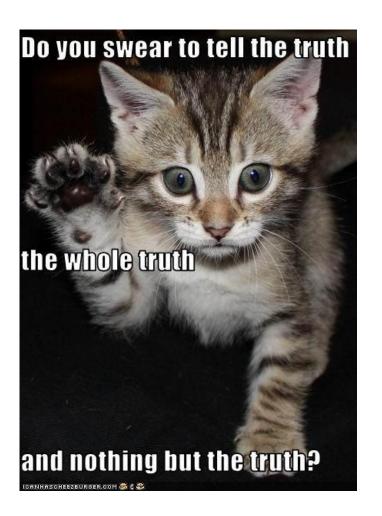


#### **Elements of Integrity**

- Honesty
- Accountability
- Competence
- Loyalty
- Impartiality
- Civility
- Consistency

#### Honesty

- Truthfulness
- Straightforwardness
- Timeliness



#### Accountability



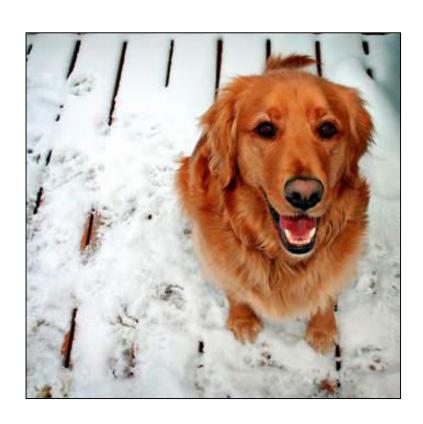
- Dependability
- Responsibility

#### Competence

- Expertise
  - Training
  - Experience
- Diligence
- Quality



#### Loyalty



- Allegiance
- Discretion

#### **Impartiality**

- Unbiased
- Unconflicted



#### **Civility**



- Respect
- Courtesy
- Cooperation

#### Consistency

- Clarity
- Reliability



#### SO WHAT?



## INTEGRITY — TRUST



#### **People Have Choices**

- Would you work with a low-integrity professional?
- You're not alone!
- Even if your clients will, others won't
  - Clients' consultants
  - Your peers



#### Compliance

- Employee benefits field highly regulated
- Lots to keep track of already
- Is compliance enough?



#### **Compliance** ≠ **Integrity**

- Compliance = following rules
- Integrity = doing what's right

Incorruptibility: strong professional ethics

Soundness: robust practices

Completeness: unbiased expertise

A true professional does both

# ASPPA's Code of Conduct and Integrity

#### **ASPPA's Code**

- Preamble
  - Identifies ethical standards for members' compliance
  - Members must adhere
- Twelve sections (+ definitions)
- All support ASPPA members' integrity

#### Honesty

- § 2 Advertising
- § 3 Communications
- § 6 Conflicts of Interest
- § 7 Control of Work Product

#### **Honesty (continued)**

- § 9 Disclosure
- § 10 Professional Integrity
- § 12 Titles and Credentials
- § 13 Additional Obligations
  - Abide by other applicable codes
  - Respond promptly re: violations

#### Accountability

- § 3 Communications
- § 4 Compliance
- § 5 Confidentiality
- § 6 Conflicts of Interest
- § 7 Control of Work Product

#### **Accountability (continued)**

- § 8 Courtesy and Cooperation
- § 9 Disclosure
- § 10 Professional Integrity
- § 11 Qualification Standards
- § 13 Additional Obligations
  - Abide by other applicable codes

#### Competence

- § 4 Compliance
- § 10 Professional Integrity
- § 11 Qualification Standards
- § 13 Additional Obligations
  - Abide by other applicable codes

#### Loyalty

- § 3 Communications
- § 4 Compliance
- § 5 Confidentiality
- § 6 Conflicts of Interest
- § 7 Control of Work Product

#### Loyalty (continued)

- § 8 Courtesy and Cooperation
- § 9 Disclosure
- § 10 Professional Integrity
- § 13 Additional Obligations
  - Abide by other applicable codes

#### **Impartiality**

- § 6 Conflicts of Interest
- § 8 Courtesy and Cooperation
- § 9 Disclosure
- § 10 Professional Integrity
- § 13 Additional Obligations
  - Abide by other applicable codes
  - Respond promptly re: violations

#### **Civility**

- § 3 Communications
- § 8 Courtesy and Cooperation
- § 10 Professional Integrity
- § 12 Titles and Credentials
- § 13 Additional Obligations
  - Abide by other applicable codes
  - Respond promptly re: violations



#### Consistency

- § 2 Advertising
- § 3 Communications
- § 4 Compliance
- § 5 Confidentiality
- § 6 Conflicts of Interest



#### **Consistency (continued)**

- § 7 Control of Work Product
- § 9 Disclosure
- § 10 Professional Integrity
- § 11 Qualification Standards
- § 13 Additional Obligations
  - Abide by other applicable codes

# Integrity and Litigation

## INTEGRITY — TRUST



### TRUST RESPECT



#### TRUST + RESPECT



#### GOOD RELATIONSHIPS

#### **People Have Choices**

- Would you sue someone you trusted and respected?
- Neither (probably) will your clients
- Clients give trusted professionals opportunities to cure
- Even if they don't ...

#### **Breach of Contract**

- Elements
  - Contract required certain actions
  - Professional didn't perform
  - Client was harmed
  - Money is owed

#### **Breach of Contract (continued)**

- High-Integrity Defenses
  - Required actions were performed; or
  - Something happened, professional offered to fix
  - Client could have been compensated
  - No/less money is owed

#### Malpractice

- Elements:
  - Established standard of care
  - Professional negligently breached it
  - Client was harmed
  - Money is owed

#### Malpractice (continued)

#### • Elements:

- Professional met/exceeded standard of care; or
- Something happened, professional offered to fix
- Client could have been compensated
- No/less money is owed

#### **Integrity Enhances Practice**

- High-quality work
  - Avoids accusations of sloppiness
- Clear, courteous communications
  - Avoids misunderstandings and fee disputes
- Trustworthy actions
- Respectable demeanor



#### INTEGRITY



# BETTER WORK BETTER RELATIONSHIPS LESS LITIGATION RISK



# Questions?

