

Medina Upclose • An American in London • Personnel & Personal News

# CL&C

citigroup 

**Legal and Compliance News**

SPRING 2001



Citigroup lawyer Fred Sujat's Air National Guard career takes off. Story on page 2.

# A Great Team Comes Together

Like the greatest squads in sports history, including the New York Yankees, Manchester United or Brazil's national soccer team, the talent, depth and diversity of our team is heads above the competition. It's inspiring to think it's taken us only two years to build a champion.

Thanks to all of you, Citigroup's Legal and Compliance community met every challenge it faced during the last year. Challenges, incidentally, found only in a company as large and complex as Citigroup.

You did the legal footwork for one of the largest acquisitions in the world last year—our purchase of Associates First Capital. You also helped bring about one of the most complex and, for

Citigroup, strategically important joint ventures ever—our alliance with Fubon. You were the invaluable legal eyes and ears behind the launch of numerous new consumer products and provided key support to the many financings the Global Corporate and Investment Group was involved in. Perhaps most important, you helped the company strike the right balance between risk and reward.

In sum, Citigroup is the world's most successful financial-services firm thanks to the hard work of people like you.

During my days in law school, I realized that one key to success is information. Not in the sense that it should be accumulated to build a base of power; in fact, just the opposite. In my career I've found

that the more information I shared with colleagues, and vice versa, the better every company I've worked for has done. Why? Quite simply because problems are solved more quickly, questions are much more likely to be answered correctly, and people are more content with their work because they feel connected to the company.

As you well know, our work, like our company, is information-driven. We eat, sleep, and breathe it. Without timely and accurate information, we can't do our jobs well. It is also important to keep in mind that sometimes the solution or answer comes from an unexpected source, like a colleague on the other side of the world or across the street in another group.



Chuck Prince, chief operating officer.

CL&C is a great information-sharing tool, a way to keep up with what's going on in other parts of our community, and a wonderful way to get to know our colleagues better. We've built a great Legal and Compliance community. Let's keep the momentum going. ■

## No Saluting in the Office, Please

It's not every day that someone from Citigroup gets promoted to colonel in the United States National Guard, the military reserve units, by the President (with the Senate's approval). In fact, Latin America Global Consumer Bank general counsel Fred Sujat's appointment is a first for Citigroup.

Sujat is a lawyer for the National Guard, too. He is a judge advocate for the



Fred Sujat and family at his promotion ceremony.

Guard's District of Columbia unit and also commands a group of Air National Guard judge advocates. His promotion ceremony was held at Washington's Andrews Air Force Base, home of the President's airplane, Air Force One.

Sujat joined the U.S. Air Force after getting his law degree from Georgetown University. While on active duty from 1973 to 1977, he was a lawyer in the Office of the Judge Advocate General and helped write *International Law—The Conduct of Armed Conflict and Air Operations*.

Since serving full-time in the Air Force, Sujat has held a variety of legal positions with military reserve units. Except for a several-year interlude with a law firm, he has been with Citigroup since 1981, when he was an international financial attorney with Commercial Credit (now CitiFinancial).

As the chief attorney for the District of Columbia National Guard, Sujat is

responsible for ten military lawyers and paralegals. Sujat's team provides legal support to F-16 fighter units (see cover) and military transport units flying members of Congress and administration officials out of Andrews. Sujat's lawyers also support the chief counsel of the National Guard Bureau, who is responsible for National Guard legal units in the United States, Puerto Rico, the Virgin Islands and Guam.

Over the years, Sujat worked on numerous special projects, including a military-to-military task force in which he trained lawyers of the Ministry of Defense of Lithuania in commercial procurement contracts and international commercial arbitration.

"I've asked my colleagues at work to stop saluting me," said Sujat. "All kidding aside, it's a great honor, not only to serve my country but to be singled out. I am indebted to my colleagues in the military and at Citigroup." ■

# CL&C

Citigroup Legal and Compliance News

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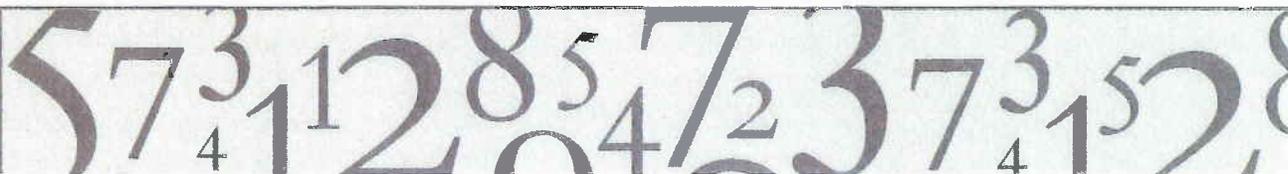
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ABACUS



## NUMBERS DO THE TALKING

### 22 AND 42

Ages (in months) of the two Korean children Ellen Conway of Travelers adopted.

### 22

Years Fred Sujat has served in the United States National Guard.

### 25

Citigroup's legal team in Brazil (third-largest after the United States and England).

### 550

The number of Audit officers working at Citigroup.

### 3

The number of children Nadine Rosin of Travelers has with the recent birth of Benjamin.

### 18

The number of lawyers from Associates joining Citigroup Legal and Compliance.

### 1,300

Approximate number of lawyers working at Citigroup.

### 2,000

Links to research and information resources in the e-Law Library's e-Catalog.

### 1992

Year Nancy Le Donne joined Citigroup.

### Citigroup Legal & Compliance

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DAVID MEDINA

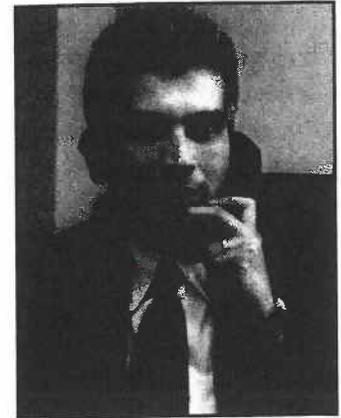
# Meet the New Director of Global Compliance

*David Medina joined Citigroup as Director of Global Compliance in October 2000. Medina previously served as Deputy Assistant Secretary for Enforcement Policy at the U.S. Treasury Department. During his time at the Treasury, he oversaw the department's enforcement bureaus and offices, including the U.S. Customs Service; the Financial Crimes Enforcement Network; the Office of Foreign Assets Control; the U.S. Secret Service; the Federal Law Enforcement Training Center; and the Bureau of Alcohol, Tobacco and Firearms. Medina was also responsible for such policy matters as money laundering, financial crime and sanctions issues; anti-narcotics strategies; international enforcement initiatives; inter-governmental relations; and firearm and anti-violent crime measures.*

*Prior to joining the government, Medina was the Northeast/Mid-Atlantic Issues director for the 1992 Clinton/Gore campaign and practiced law in the private sector in Connecticut.*

*Global Compliance plays a key role, albeit behind the scenes, insuring Citigroup's long-term health. Making money by taking too much risk, or not being aware of the risk being taken, is a formula for trouble. Not complying with company and regulatory standards can be equally problematic.*

*Medina not only talks about these issues and what's going on in his group, but also how he sees his responsibilities and those of his group evolving over time.*



David Medina

**Q:** Tell us a little about your background.

**A:** I was born and raised in Bridgeport, Connecticut. I did my undergraduate work at Harvard and got my law degree from Columbia. My wife, Karen, and I have two children, David and Julia. We live in Connecticut, and except for my time in Washington, I've been pretty much based in the Northeast for most of my life. One of the fascinating parts about this job relates to the company's global reach. It's absolutely essential that I get out to various parts of it. I've visited Bangkok, Singapore and Budapest, and I'll travel more in the next several months to learn about the company's businesses and meet more of its people.

**Q:** What are some of the management skills you picked up at the Treasury that are relevant to your work here?

**A:** At the Treasury, I helped oversee operational units

within a larger parent entity. The compliance structure here is similar—a corporate compliance office and individual business units. I've learned in my short time here that some of the same skills within this type of organization apply, whether it be creating reliable reporting structures, tending to individual relationships, or monitoring the activities of your own staff.

**Q:** Are there any particular issues you dealt with at the Treasury that are relevant to your work here? Do you have a different insight into them, having worked there?

**A:** Over the course of my legal and government career, I've had exposure to many bank and lending issues. In government I dealt with many money laundering, sanctions, and fraud matters. These and other issues taught me more about the interests of financial institutions in complying with the law while building prosperous businesses.

**Q:** What are some of the differences between working in the federal government and in a large financial institution?

**A:** I think there's always going to be a difference between government and the private sector. Maybe it is just the time I'm coming to Citigroup, but it seems that the company is constantly evolving and growing. That's a change from government, where the entities and their missions, for the most part, are fixed over a period of years.

**Q:** What's your initial impression of Citigroup?

**A:** I'm very impressed with the professionalism and expertise here. I'm also impressed by employees' commitment to the larger corporate interest. I'm coming here after the merger, so whether I encounter people from Citibank, Travelers, SSB, or anywhere throughout the organization, I find the same strong commitment to

Citigroup, as well as to a single unit.

**Q:** In your view, what's your role as chief compliance officer?

**A:** It may evolve over time, but I see my role as providing corporate oversight of the compliance activities of the business units and throughout the company. I also coordinate and develop global compliance policies that impact the company and each of its business compliance units. I view myself as an advocate for significant compliance interests within the company. Creating a structure that will better allow me to pursue all of these missions in a systematic way will be the primary challenge over the course of the year.

**Q:** What are some challenges you face working for a global multi-product company?

**A:** The biggest challenge is to stay on top of the different types of work being done here. It's a huge company, very

diverse in the range of financial services it provides. So, getting up to speed on them and staying abreast of developments as they occur are constant challenges. Also, getting to know all the different players in the organization and making sure they know what my role is. Developing policy, being proactive on operational and policy matters, and still responding to more-immediate issues will also be challenges.

**Q:** Talk about your group's relationship with the business units.

**A:** My sense is that the compliance units work very closely with the business units. That's something we need to constantly strive for. If business is conducted with quality control and compliance issues in mind, we can head off problems. That's better than simply trying to respond to issues after the fact through monitoring procedures.

**Q:** How do the businesses approach compliance?

**A:** Here's an example: I was recently at a Citigroup Asia Pacific Control and Compliance Conference. Before that, I attended the Citigroup CEEMEA Conferences in Budapest. Many of the company's business leaders attended these conferences. Of course, they discussed the type of work being done and the type of products being offered in their units. They gave an overview of how well they were doing and what their goals going forward were. But they made clear that business strategy and bottom-line results mean nothing if we're not tending to basic quality control and compliance matters. The company's name, our franchise, is something we can't risk in the pursuit of any business strategy.

That's the message being delivered by business leaders. It's a good example of how the compliance message is being preached not only by compliance professionals, but by the leaders within businesses.

**Q:** What issues do you see yourself devoting a lot of attention to—not because the press or politicians are concerned about them, but because there might be a need to devote more time to them internally?

**A:** First and foremost, finding out about, reviewing and responding to compliance issues arising out of the company's new and unique organizational structure. We deliver a multitude of financial services through various means. The issue, then, is how to stay on top of it all. How to tend to compliance interests within each business unit and at the same time make sense of it in the larger corporate and global context.

**Q:** What about technology? Not just in terms of its impact on your work today, but could you also touch on how you've seen technology evolve over the last decade and its impact on financial services and compliance issues in general?

**A:** Technology has given a huge boost to the financial-services industry, to our customers, and to the economy overall. Money can move, and services can be delivered, more rapidly than ever. But the speed and ease with which we can deliver services presents new compliance challenges. Money laundering, for example, becomes more of a concern, given the ease with which funds can move from one country to another. Another example is identity theft, where

people can be defrauded because someone can enter a system and remove personal information. At the same time, technology can help us respond to such threats. For example, our AML efforts have improved now that we have the technological ability to

monitor wire transfers; and technology is helping to block those seeking to break into confidential systems. This will be a constant struggle, because the technology will continue to evolve. ■

## TRADING PLACES

Stephanie Mudick, Deputy General Counsel responsible for Corporate Law, and Mike Ross, General Counsel for the Global Consumer Group, are switching jobs.

Citigroup has an internal program to cross-train lawyers by rotating assignments. This creates a broader pool of lawyers with a comprehensive view of the company's operations.

"It's a wonderful opportunity to learn more about the company, no doubt about it," said Mudick. Ross agreed: "I look forward to the challenge of working on different issues in another part of the company."

## Just for fun



UNLIMITED INFORMATION AT YOUR FINGERTIPS

# Law Library Goes Virtual

For the Citigroup Legal and Compliance community, the new and ever-expanding e-Law Library offers a wealth of resources and information, all immediately available on your desktop computer.

The conversion of law books to the Web has dramatically increased the number of users that have access to library resources. A physical library can only accommodate a few hundred people at a time. The new electronic law library is available to the entire Legal and Compliance community as well as all the other 50,000 CitiWeb users connected worldwide.

The greatest benefit is that the information is truly up-to-the-minute. Never before have we had access on such a scale to constantly updated information. And since information is often what drives many business decisions, having it instantly at our fingertips can only help improve the work each one of us is trying to accomplish every day.

MAKING LIFE EASIER

## Law Manager

Every day, Citigroup managers are faced with new legal matters that need tracking such as litigation, subpoenas, transactions, workouts, disputes, etc. Many managers are now using Law Manager to help them track and manage costs.

Law Manager is an advanced case-management system designed to track and maintain information regarding litigation and non-litigation matters. All aspects of a case, such as current status, history, budgets, spending, assigned lawyers and involved parties, can be easily monitored. There is also a built-in interface with PCDocs that provides an efficient means of document retrieval and exact images of documents associated with a matter.

Other major benefits include extensive reporting capabilities, data sorting and analysis, a powerful search engine, and the ability to

generate useful reports at any time. Some of the key management reports available are: matters by name and type, most expensive matters, lead partner consistency, staff rotation, top billing professionals, billing trends and discounts by law firms.

Law Manager is currently used by 235 members of the legal community. Our goal is for all cases to be managed on one system, and for outside counsel to submit their bills electronically. Ideally, we would like to bring all top-tier law firms into the e-billing system by the end of this year.

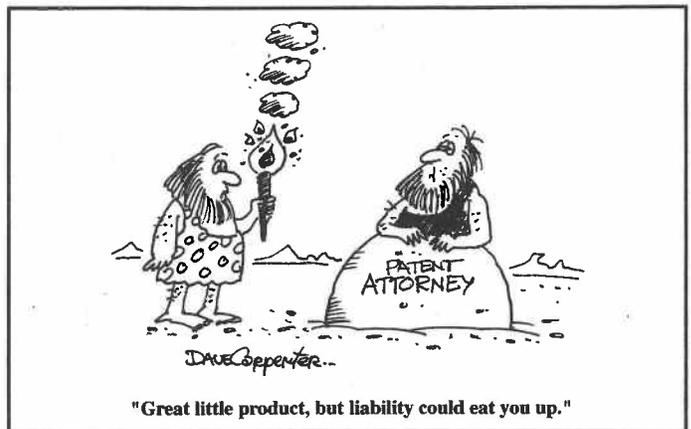
E-billing allows invoices to be received, reviewed, approved, and paid electronically. The system automates the guidelines set forth in Citigroup and Affiliates Policies and Procedures for Outside Counsel, which covers more than 50 legal billing issues. Invoice data is organized

Of course, a virtual library isn't built overnight. It's an ongoing process. Even as you read this, hard copies of books are being converted to the Web, and paper subscriptions are being exchanged for online ones. A major advantage of using the e-Law Library is that much of the information has been prepaid and conveniently arranged in a central location. Mobile users can now download the electronic catalog to their laptops. Citigroup Legal and Compliance members should review their paper or online subscriptions and cancel (or not renew) those available through the e-Law Library. Let us know what publications you currently receive in paper format and we will help you obtain the electronic equivalent.

Creating the e-Law Library has been fun, and we hope that you enjoy using it as much as we do. ■

The home page is at: <http://citiweb.citicorp.com/ctopics/legaff/elawlibrary/index.htm>

Just for fun



"Great little product, but liability could eat you up."

by task, making it easy to locate errors. Questionable items are noted and payment is automatically blocked until the problems are resolved.

**Law firm and client benefit** - Automatic evaluation of invoices benefits everyone. It eliminates tedious in-house bill reviews and law firms can feel confident that invoices will be reviewed objectively and consistently, according to guidelines that they have agreed to in advance.

**Cost management and savings** - Effective bill review typically reduces legal expenses by at least 10 percent. It prevents misunderstandings by identifying

problems before payment is made and provides data for budgeting purposes.

**Valuable data at your fingertips** - In addition to efficient, accurate audits, e-billing provides legal cost data including fees, charges for disbursements, and the results for specific types of legal matters. This enables you to evaluate the cost-effectiveness of outside counsel, to assign legal matters to the most appropriate firm, and to monitor law firm compliance with billing guidelines. ■

To learn more about Law Manager, go to [citiweb.citicorp.com/ctopics/legaff/lawmanager/index.htm](http://citiweb.citicorp.com/ctopics/legaff/lawmanager/index.htm)

