

Integrity and Ethics

An Interview with Eileen Simon,
Chief Franchise Integrity Officer, MasterCard

EDITORS' NOTE Eileen Simon, joined MasterCard in 1999 as a vice president and counsel responsible for litigation in the United States. During her tenure with the company, Simon has held several roles, including managing the global intellectual property and the franchise management functions of the company. She is a member of the company's Global Diversity and Inclusion Council and has been the executive sponsor of the global Women's Leadership Network since 2010. Prior to MasterCard, she was an antitrust lawyer at Weil, Gotsbal & Manges LLP.



Eileen Simon

COMPANY BRIEF MasterCard (mastercard.com), is a technology company in the global payments industry. They operate the world's fastest payments processing network, connecting consumers, financial institutions, merchants, governments, and businesses in more than 210 countries and territories.

What makes MasterCard so special and what has been the secret to its success?

MasterCard symbolizes trust, delivering safety and security in every transaction. Externally, the promise is to consumers and to all stakeholders in the ecosystem, but it's also really reflected internally.

In terms of colleagues I work with and the way we operate as a company, I've always been incredibly impressed by the level of integrity and ethics.

How do you define your role?

My role is focused on ensuring that our licensed customers – financial institutions, governments, merchants, and others – operate effectively within our system; that they perform successfully within our rules; and that they don't introduce undue risk or fraud into the system.

At the highest level, it's about trying to ensure the integrity of our system and its participants.

Is your mission strictly technology-focused?

No, our corporate security group is focused on the integrity of our technology and our network. They develop multiple layers of security to protect and defend against potential incidents.

My team is looking at the broader ecosystem. We have customers in 210 countries and territories who need to operate under a common set of rules that are focused on making sure there is a certain equity and fairness and financial soundness in transactions that flow across our rails.

We're focused on identifying when our customers are engaging in lines of business that are risky. We make sure we educate them and to the extent necessary, course correct.

How important is it to have metrics to track progress in those areas?

It's very important to have metrics and it's also challenging. Our current general counsel spent time on the business side of MasterCard and is very focused on meaningful metrics.

For example, we may not ultimately be able to guarantee that our customers will bring down the level of fraud in the system, because that is largely within their control. What we can do is focus our efforts on having the biggest impact and doing risk reviews on customers who represent the greatest concentration of fraud.

What is the structure of your team and how closely coordinated are the efforts between the functions?

I have four basic functions reporting to me. I have a team that works on managing data breaches when they happen. Internally, that team is connected to our customer fraud management team, which is a globally distributed group that works with customers across all of our regions. They engage with our customers' fraud practitioners on their risk and fraud controls. That team also helps to guide our customers through fraud incidents. The third group is called customer performance integrity – they manage our customers' compliance with our rules, and a big part of that is educating our customers so they can be successful. We have a final team that is focused on assessing customer risk over their life cycle. That team has built a risk management program for customers and their service providers. That can only be successful if there's a close collaboration across the various regions to make sure it can be executed at the local market level.

The four groups work closely together on a regular basis and they also work with other groups within the broader law and franchise integrity organization as well as their business colleagues.

How important is diversity and inclusion for a company like MasterCard?

Increasingly, our customer base is diverse. Historically, our roots were financial institutions. They were our owners. The U.S. banking industry represented the majority of our customer base. Over the past 50 years, there has been a huge sea change in terms of the global nature of our reach, the balance of our business, and the types of customers that we work with. We're working directly with merchants and entities that manage prepaid programs and with government institutions. Our customer base has diversified tremendously in terms of the geography and types of business they are doing.

At MasterCard, our workforce necessarily needs to reflect that for us to be successful. We're looking at diversity well beyond the demographics of our employees and also in terms of diversity of thought and experience.

We're bringing people in from a variety of backgrounds – they've worked at merchants, governments, NGOs, and in policy roles.

We're also diversifying generationally and, today, roughly a third of our employees are millennials, which is fueling an innovative and inclusive culture.

Our CEO has us working to both do well and do good. We're supporting the developing world and emerging economies by driving financial inclusion.

Women have tremendous buying power, but also in many markets they, for the most part, have been financially excluded and we have to work to overcome that.

Is the message understood of the type of dynamic business MasterCard is today?

We're a technology company in the financial services space. We're expanding in the payments value chain and playing different roles, and that message is resonating. We have moved beyond our roots as a traditional "credit card company" to testing new and innovative solutions and delivering safe and secure payments in the digital and physical worlds. ●