

Foreign Corrupt Practices Act (FCPA): An Overview

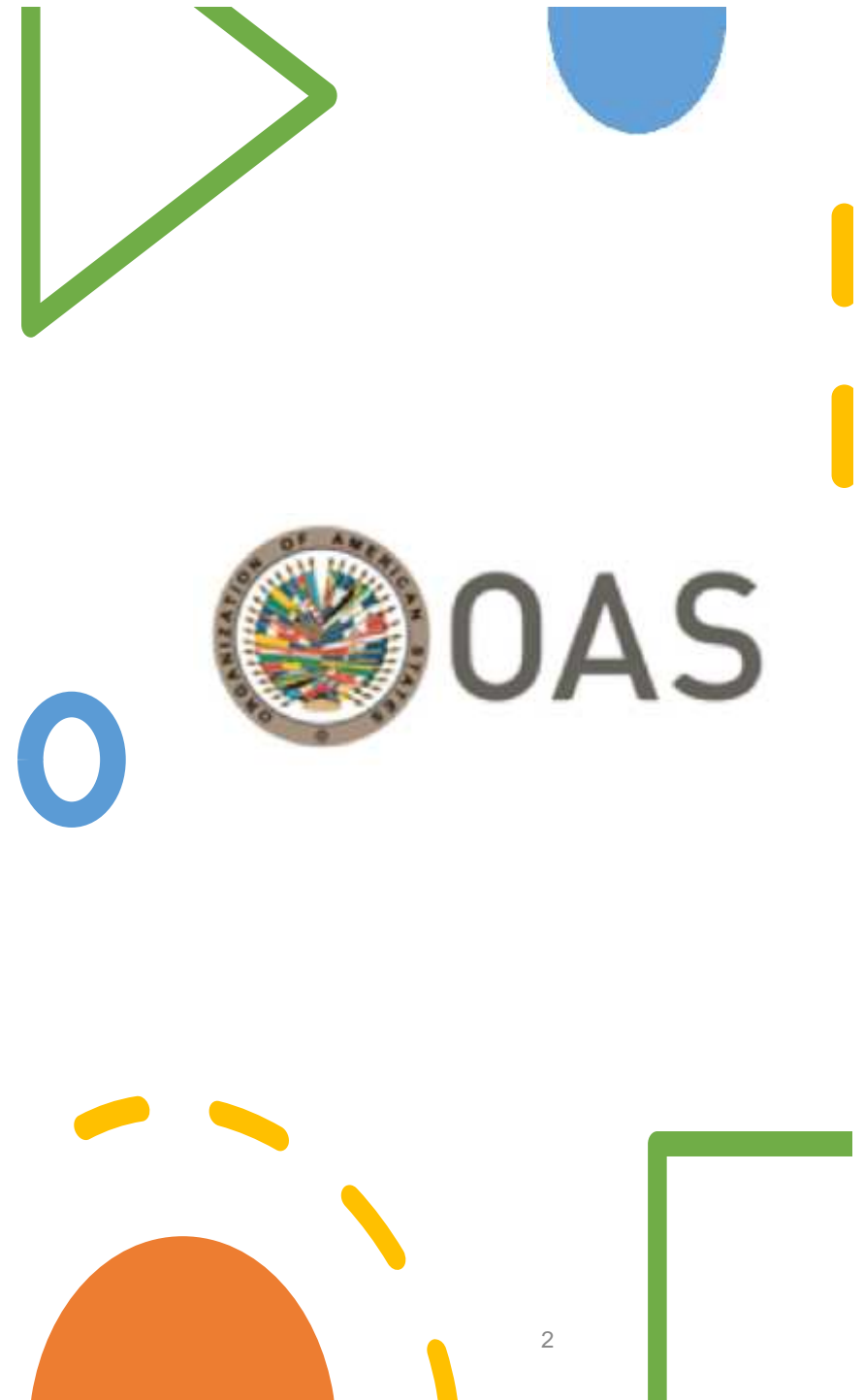
19 March 2020
Shawn N. Sullivan

This presentation is adapted in part from FCPA training materials available from Westlaw's Practical Law.

Inter-American (“OAS”) Convention Against Corruption (1997)

- Requires each Party to criminalize:

- Bribery of, and receipt of bribes by, national officials
- Bribery of foreign officials:
 - to “prohibit and punish the offering or granting, directly or indirectly, by its nationals [and residents (including businesses)], to a government official of another State, of any article of monetary value, or other benefit, such as a gift, favor, promise or advantage, in connection with any economic or commercial transaction in exchange for any act or omission in the performance of that official’s public functions”
- Illicit enrichment, i.e., a significant increase in the assets of an official that he cannot reasonably explain (U.S. took reservation on grounds that placing burden of proof on defendant would violate the U.S. Constitution)
- Fraudulent use or concealment of property derived from an act of corruption
- Participation in the commission, or attempted commission, of, or in any collaboration or conspiracy to commit, an act of corruption



OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (1998)

- Requires each Party to criminalize:

- Bribery of foreign officials:

“to establish that it is a criminal offense . . . for any person intentionally to offer, promise or give any undue pecuniary or other advantage, whether directly or through intermediaries, to a foreign public official, for that official or for a third party, in order that the official act or refrain from acting in relation to the performance of official duties, in order to obtain or retain business or other improper advantage in the conduct of international business”

- Complicity, including incitement, aiding and abetting or authorization of an act of bribery of a foreign public official
 - Attempt and conspiracy, if they are crimes with respect to domestic bribery

- Also requires each Party to:

- Provide for criminal liability to be imposed for foreign bribery on legal persons such as corporations.
 - Make bribery of a foreign official a predicate offense for money laundering if it is a predicate offense with respect to domestic bribery.



Council of Europe Criminal Law Convention on Corruption (2002)

- Requires each Party to criminalize:

- Bribery of, and receipt of bribes by, national officials
- Bribery of, and receipt of bribes by, foreign public officials

To prohibit, “when committed intentionally, the promising, offering or giving by any person, directly or indirectly, of any undue advantage to any [foreign public official], for himself or herself or for anyone else, for him or her to act or refrain from acting in the exercise of his or her functions,” and the request or receipt by any foreign public official of such an advantage, or the acceptance of such an offer or promise

- Bribery in the private sector, both active (gift) and passive (receipt)

- Trading in influence (bribes to anyone and receipt of a bribe by anyone who asserts that he is able to exert an improper influence over the decision-making of a national or foreign official)
- Money-laundering of proceeds from corruption offenses
- Intentional creation or use of false or incomplete records, or unlawful failure to make a record, in order to commit, conceal or disguise an act of corruption
- Aiding or abetting the commission of any criminal offense established in accordance with the Convention

• The Convention also requires measures to enable confiscation of the proceeds of criminal offenses or property of equal value, and mutual legal assistance.



UN Convention Against Corruption

- Some provisions required; some urged for consideration
- Requires each Party to criminalize:
 - Bribery of, and receipt of bribes by, national officials
 - Bribery of foreign public officials
 - To prohibit, “when committed intentionally, the promise, offering or giving to a foreign public official or an official of a public international organization, directly or indirectly, of an undue advantage, for the official himself or herself or another person or entity, in order that the official act or refrain from acting in the exercise of his or her official duties, in order to obtain or retain business or other undue advantage in relation to the conduct of international business”
 - Embezzlement, misappropriation or diversion of public funds by public official
 - Conversion, transfer, disguise or use of property knowing that it is the proceeds of corruption
 - Offenses in support of corruption (obstruction of justice, money laundering, participation as accomplice, assistant or instigator)
- Invites each Party to consider criminalizing:
 - Private sector bribery and embezzlement
 - Trading in Influence
 - Receipt of bribes by foreign public officials



Now let's
turn our
attention to
the United
States
Foreign
Corrupt
Practices Act.



COMBATING CORRUPTION

HOME CLASS 1 CLASS 2 CLASS 3 CLASS 4 CLASS 5 CLASS 6 CASE STUDY: ROLY BANK MORE ►

US FOREIGN CORRUPT PRACTICES ACT (FCPA)



The U.S. Foreign Corrupt Practices Act of 1977 (15 U.S.C. §§ 780dd-1, et seq. ("FCPA"), known as the "anti-bribe" law, prohibits U.S. companies and individuals from making payments to foreign government officials to assist in obtaining or retaining business. The anti-bribe provisions of the FCPA prohibit the willful use of the mails or any means, or instrumentality of interstate commerce corruptly in furtherance of any offer, payment, promise to pay, or authorization of the payment of money or anything of value to any person, while knowing that all or a portion of such money or thing of value will be offered, given, promised, directly or indirectly to a foreign official to influence the foreign official in his or her official capacity, induce the foreign official to do or omit to do an act in violation of his or her lawful duty, or to secure any improper advantage in order to obtain or retaining business for or with, or directing business to, any person.

Since 1977, the anti-bribe provisions of the FCPA have applied to all U.S. persons and certain foreign issuers of securities. With the enactment of certain amendments in 1998, the anti-bribe provisions of the FCPA now also apply to foreign firms and persons who cause, directly or through agents, to act in furtherance of such a corrupt payment to take place within the territory of the United States.

PLEASE READ THE ATTACHED FILE

The Foreign Corrupt Practices Act: An Overview

The attached file is password protected. When you attempt to open the file, you will be asked for a password. The password is **Corruption**.

Foreign Corrupt Practices Act - Overview.pdf

Download

VIDEO



History of the FCPA | Excerpt from PBS FRONTLINE

VIDEO



An FCPA video exercise (with real actors!) created by your instructor for a different university.

FCPA Resources on the Course Website

<https://corruptioncourse.online/us-fcpa-foreign-corrupt>



What Is the Foreign Corrupt Practices Act (FCPA)?

- A US law that:
 - Prohibits the **bribery** of foreign government officials (anti-bribery provisions).
 - Requires companies to maintain **accurate books and records** (accounting provisions).
 - Is enforced by the US **Department of Justice (DOJ)** and the **Securities and Exchange Commission (SEC)**.

Who Is Subject to the FCPA?

- **Issuers.** Any company (US or foreign) with securities registered in the US or that files reports with the SEC.
- **Domestic concerns,** which includes:
 - US citizens, nationals, and residents.
 - Any US entity organized under US law or with its principal place of business in the US.
- **Directors, officers, employees, agents, and shareholders** of issuers and domestic concerns.



Who Is Subject to the FCPA? (cont'd)

- Any individual or entity (US or foreign) who commits a violation through any contact with the US.
- For example, "any contact with the US" includes:
 - Making a phone call in or to the US.
 - Sending an email that is routed through or stored on a US server.
 - Sending a wire transfer from or to a US bank.
 - Traveling to or from the US.



Why Does the FCPA Matter?

- Violations of the FCPA can lead to:
 - Expensive and long investigations.
 - Criminal fines.
 - Civil penalties for both companies and individuals.
 - Potential imprisonment for individuals.



Why Does the FCPA Matter? (cont'd)

- Some trends in FCPA enforcement:
 - Increased corporate enforcement actions.
 - More prosecutions of individuals.
 - Increased DOJ and SEC resources allocated to investigation and prosecution.
 - More sophisticated investigation techniques.
 - Greater enforcement outside the US.
 - Stricter penalties for offenders.



Consequences of FCPA Violations for Companies

- \$2 million criminal fine per violation or twice the gain.
- Debarment (company cannot do business with the government).
- Denial of export licenses.
- “Disgorgement” of profits.
- Expensive investigations and legal fees.
- Reputational damage.



Consequences of FCPA Violations for Individuals

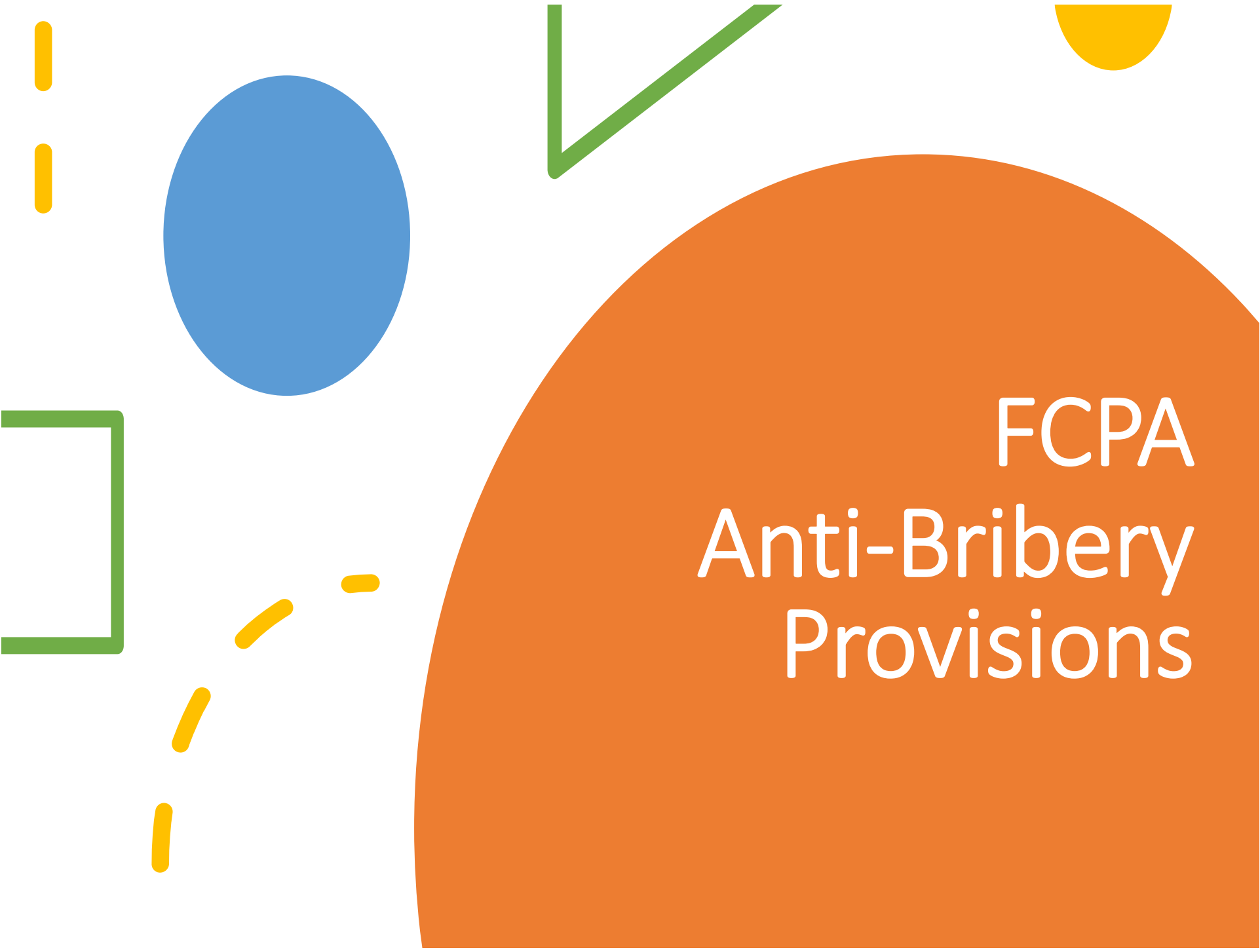
- Up to five years in prison per violation.
- \$250,000 criminal fine per violation.
- \$10,000 civil penalty or gross gain.
- Fines cannot be paid by company.
- Loss of job.
- Reputational damage.



Anti-Bribery Laws Worldwide



- See Latvian legislation linked on course website.
- UK Bribery Act 2010.
- Canada's Corruption of Foreign Public Officials Act.
- Mexico's General Law on Administrative Accountability.
- Brazil's Clean Companies Act.
- India's Prevention of Corruption Act.
- China's Criminal Law and Anti-Unfair Competition Law.



FCPA Anti-Bribery Provisions

What Must the Prosecutor Prove in an Anti-Bribery Case?

- The FCPA prohibits **corrupt payments** or **bribes**.
- The elements of a corrupt payment are:
 1. The **gift of, or offer, promise or authorization to give.**
 2. **Anything of value.**
 3. To a **foreign official.**
 4. To **obtain, retain or direct business.**



What Must the Prosecutor Prove in an Anti-Bribery Case? (cont'd)



- Corrupt payments are made:
 5. **Directly or indirectly.**
 6. With "**knowledge**" that the payments will be made to a foreign official.

Now let's look up
close at each
element of the
foreign bribery
offense.





1. Gift or Offer, Promise or Authorization to Give

- A company and its employees can be liable for:
 - Bribes that are **made**.
 - **Offers, promises, or attempts** to bribe, even if the bribe is not accepted or the bribe never actually occurs.
 - **Authorizations** of bribes made by others.

2. Anything of Value

- Cash or cash equivalents (such as gift cards).
- Stock or other interest in or profits from a business.
- Gifts (watches, handbags, golf clubs, etc.) or services.
- Travel, meals and lodging.
- Entertainment (theater tickets, sporting events, etc.).
- Personal favors (such as job offers or scholarships for the official's relatives).
- Discounts.
- Loans.
- Donations to an official's charity.
- Political contributions.



Even the smallest bribes are prohibited.



Example: Gifts and Entertainment

- The foreign subsidiaries of a US manufacturer of bank security systems spent \$1.8 million on **pleasure trips for senior officials of government-owned banks** to places like Disneyland, Paris and New York City. Its subsidiaries also provided government bank officials with **annual cash gifts** ranging from less than \$100 to more than \$600.
- The SEC found that the travel, entertainment and other gifts were made to **influence** the banks' purchasing decisions.
- The US parent company paid over \$48 million in fines for FCPA violations as a result of these gifts made by its foreign subsidiaries.



Example: Charitable Contributions

- A US pharmaceutical company's Polish subsidiary made over \$75,000 in **charitable contributions** to a foundation that restores ancient castles in Poland. The foundation's president was also the **director of a regional Polish health agency**, with **authority over the use of health care funds**.
- The SEC found that the contributions were made to **influence** the foundation's president to direct business to the subsidiary.
- The US parent company was found liable for FCPA violations and paid a \$500,000 civil penalty.



Gift Precautions for Businesses

- Gifts to public officials (if they are given at all) should be:
 - **Approved in advance** by the company's legal or finance department.
 - Of **modest value** for example, a calendar, pen, mouse pad, or book.
 - **Reasonable and appropriate** for the occasion and place.
 - Given **openly** and not secretly.
 - Made in accordance with local laws.

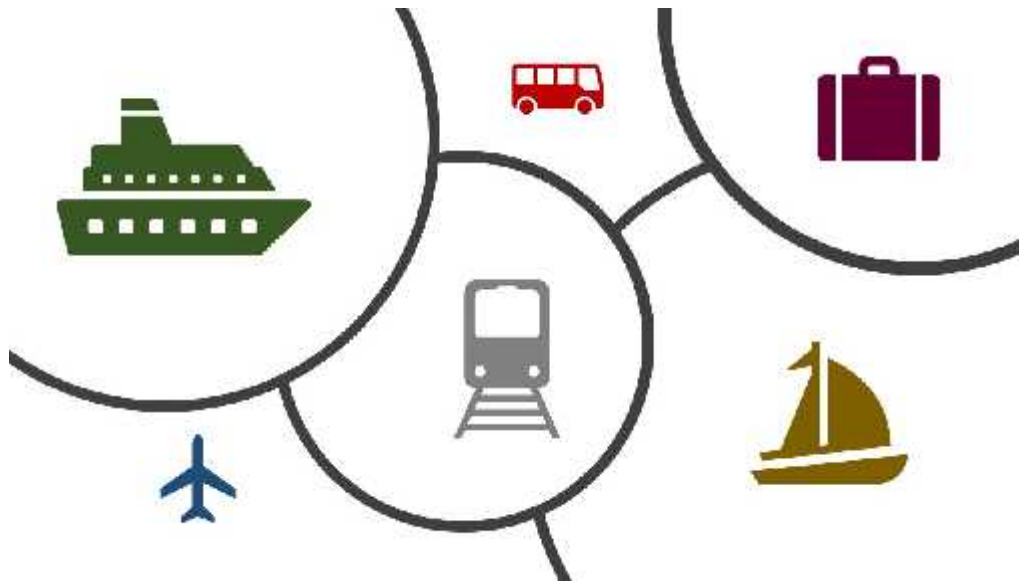


Gift Precautions (cont'd)

- A **small gift** or **token of esteem** is sometimes an appropriate way for professional people to display respect for each other.
 - In some cultures, such gifts are expected.
- Items of **nominal value** do not generally violate the FCPA. Examples may include:
 - Local cab fare, reasonable meals and entertainment expenses, and company promotional items.
- However, **large or extravagant gifts are inappropriate** and generally deemed given for an improper purpose. Examples may include:
 - Sports cars, fur coats, and other luxury items, as well as a series of smaller gifts to the same individual or group.
- **Use your judgment.** If it is embarrassing to admit that you provided the gift, then **do not** give it.



Travel Precautions



- Payments for **travel** should be:
 - **Directly related to promoting the business's** products or services or performing a contract.
 - Of a **reasonable amount** in light of the business purpose (for example, airfare and hotel costs, but not also a daily per diem).
 - **Directly paid to the travel vendor** when possible, rather than reimbursing the government official in cash.
 - If a reimbursement is made, it should **equal** the actual expense and be **supported** by an invoice and receipts.

Meals and Entertainment Precautions

- Meals and entertainment should:
 - Be **modest, appropriate** under the circumstances, and **customary** in the country in which they are given.
 - **Not be provided regularly or frequently** to the same official or group of officials so as to raise the appearance of impropriety.
 - Be **tasteful** and comply with generally accepted business and professional standards.
 - Have a **representative of the company present**.





Additional Precautions

- All gifts, travel, meals, and entertainment should:
 - **Comply with local law** and be permitted under the policies of the recipient's organization.
 - Be **accurately reflected** in the business's books, records, and accounts.
 - **Not be offered at the request** or suggestion of the government official.

3. Foreign Officials

- A **foreign official** includes any officer, employee, or person acting in an official capacity on behalf of:
 - A foreign government.
 - Any department, agency, or instrumentality of a foreign government.
 - A public international organization (for example, the UN or World Bank).
 - A foreign political party.
 - A political office (such as a candidate for political office).



Mayors, Governors, Bureaucrats, Candidates for Public Office



3. Foreign Officials (cont'd)



- Examples of a **foreign official** can include:
 - Officers and employees of state-owned or state-controlled enterprises (such as state-owned banks, hospitals, schools, manufacturing facilities, utilities, oil companies, and mining companies).
 - Members of a royal family who own or have interests in government industries or government-controlled companies.
 - Close family members of a foreign official, such as a spouse, parents, grandparents, siblings, children, nieces, nephews, aunts, uncles, first cousins, and any other person who shares the same household with the official.



- Examples of **obtaining, retaining, or**

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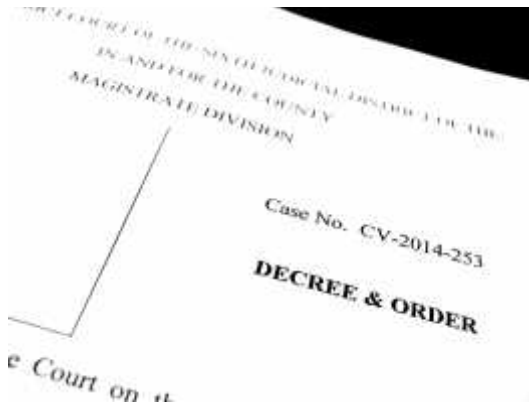


4. To Obtain, Retain or Direct Business (cont'd)



- Examples of **obtaining, retaining, or directing business** include:

- Securing favorable tax treatment.
- Reducing or eliminating customs duties.
- Influencing the rulings in lawsuits or enforcement actions.
- Obtaining exceptions to regulations.
- Obtaining government action to prevent competition from entering a market.



5. Made Directly or Indirectly

- A company and its employees can be liable for corrupt payments resulting from:
 - Their **own actions**.
 - **Third-party actions**, including conduct that is:
 - Directly **authorized**.
 - **Not adequately supervised**.



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Dreamstime.com



Third-Parties Engaged by the Company

Third parties may include individuals or entities engaged by the company, including:

- Agents.
- Sales representatives.
- Distributors.
- Freight forwarders.
- Accountants.
- Lawyers.
- Consultants.
- Brokers.
- Intermediaries.
- Service providers.
- Contractors and subcontractors.

Engaging Third-Parties (cont'd)

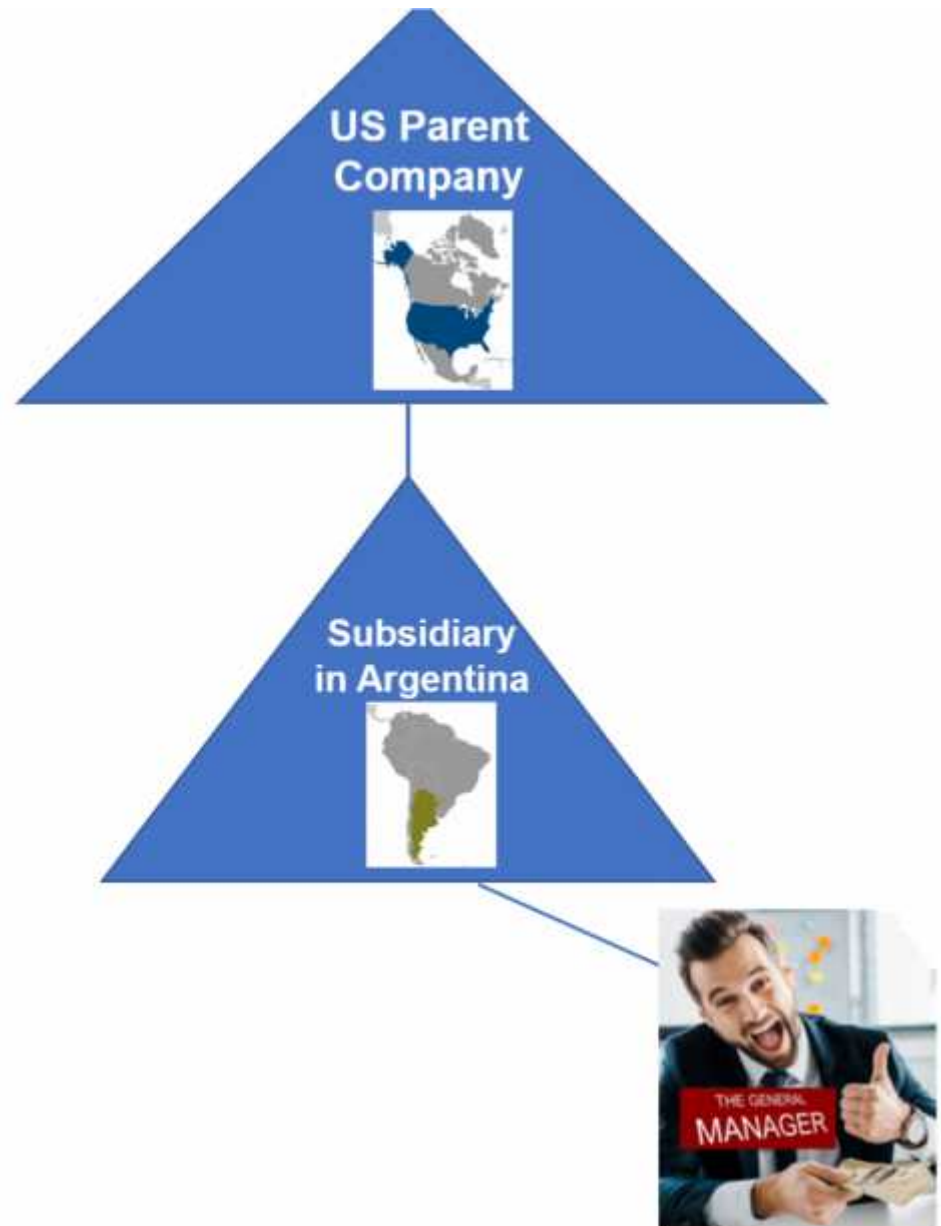
If you deal with third parties as part of your job, remember that:

- If a company engages a third party, the company can be **legally responsible** for any improper conduct that the third party undertakes on the company's behalf.
- Third parties present the **greatest risk** under the FCPA.
- 85% to 90% of recent FCPA enforcement actions involve corrupt payments made by third parties.



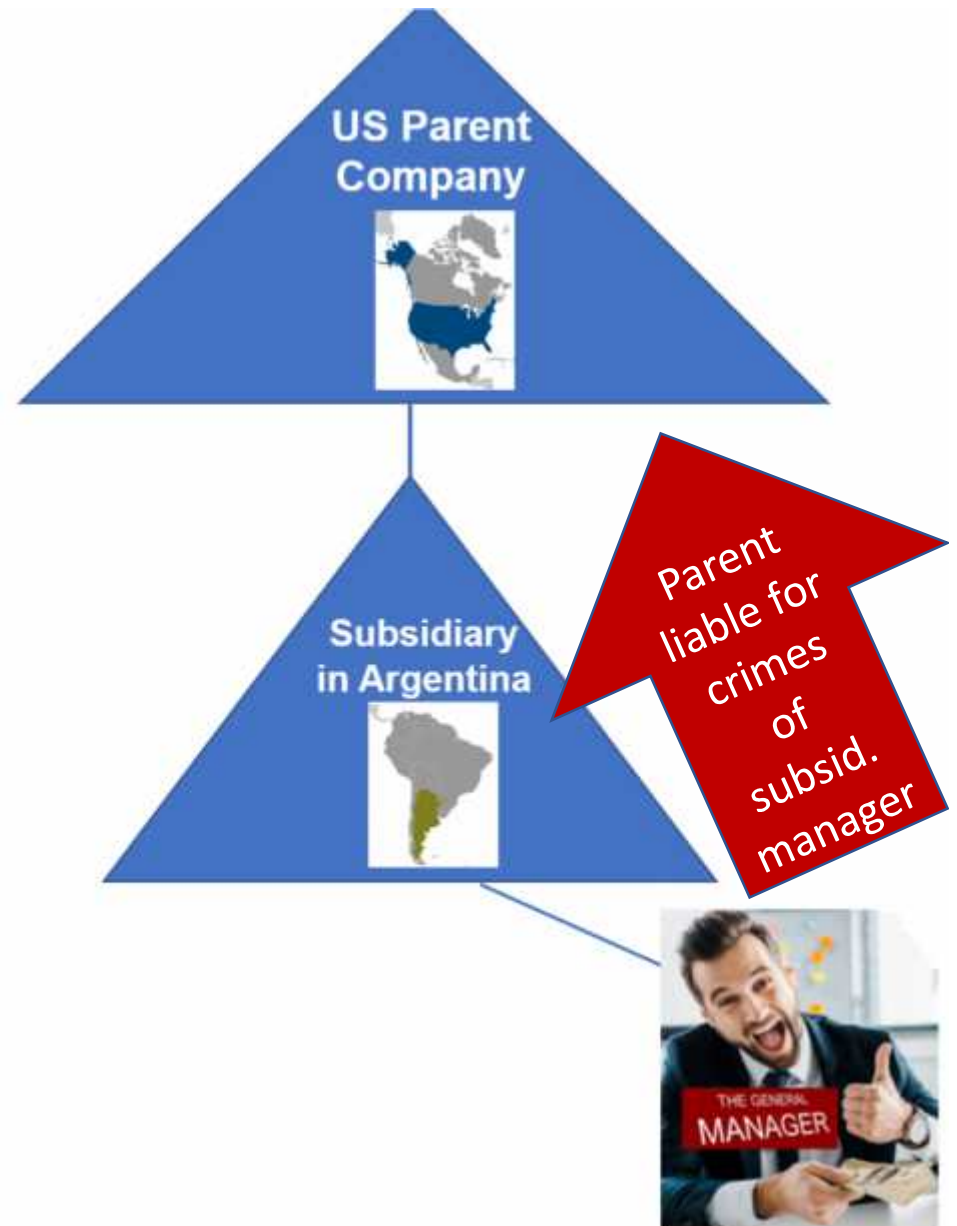
Example: Subsidiary Actions & Third-Party Engagements

- Argentine subsidiary of US retailer used a **third-party broker** to pay bribes to customs officials to improperly clear goods through customs. Subsidiary's general manager also bribed Argentine officials with perfume, dresses, and handbags.
- Although bribes were made by subsidiary, US parent company was found liable. **Subsidiary's General Manager was considered the US company's "agent,"** since the US company had appointed him to that position.
- US company agreed to pay fines of \$1.6 million for FCPA violations.



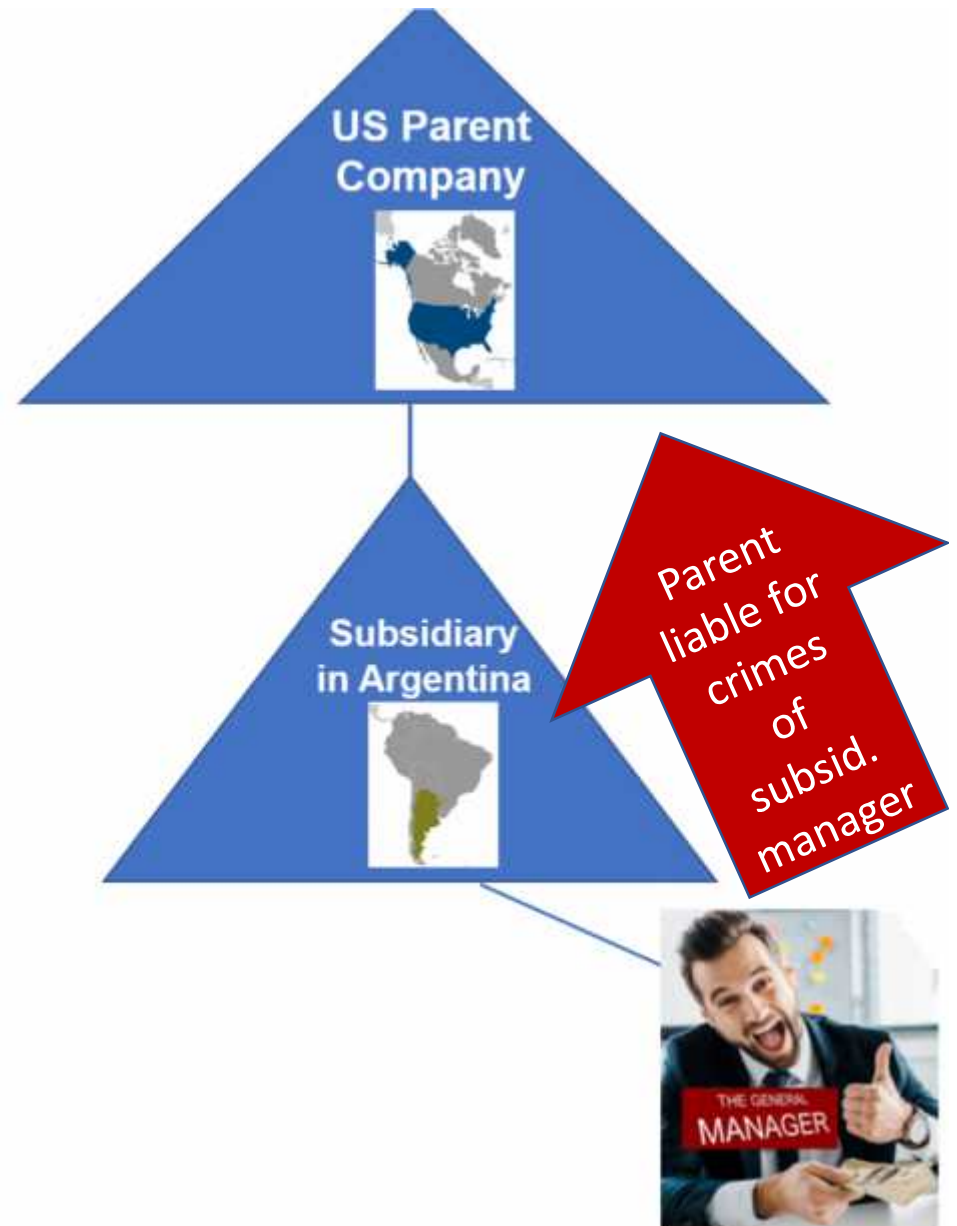
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Third-Party Business Relationships

- Third parties may also include individuals or entities with whom the company enters into business relationships, including:
 - Co-investors.
 - Partners.
 - Joint venture partners.
 - Acquisition targets.



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Example: Third-Party Business Relationships

- A French engineering company had a minority interest in a **joint venture (JV)** to bid on contracts in Nigeria. The JV used third-party agents to pay over \$180 million in bribes to Nigerian government officials for the contracts. Executives of the French company participated in JV committee meetings where the bribery was discussed.
- The SEC found the French company liable for the JV's bribery.
- The French company agreed to pay \$240 million in penalties to resolve the FCPA charges and to retain an independent compliance monitor for two years.





Due Diligence: The Company Should Investigate Third Parties before Engaging Them

- When engaging or entering into a business relationship with any third party (especially in a foreign country), the company should:
 - Review the third party's qualifications, expertise, and relationship to government officials.
 - Public records search for information on the third party.
 - Reference check.
 - Signed agreement by the third party not to violate anti-bribery laws.
 - Review of any red flags that indicate high risks or improper activity.



Sample Contract Provision for Engagement of Foreign Agent, Distributor, Etc.

Policy against Corruption: The Parties represent and agree that, neither of them, whether directly or indirectly through agents, employees, or other representatives, shall make or promise to make payments or give any objects of any value to any public official for any purpose, or shall perform any other act of bribery in violation of the laws that regulate this agreement or the laws of the [United States of America], including in particular the Foreign Corrupt Practices Act (FCPA), with respect to the object and purpose of this agreement. It is mutually agreed that a violation of this clause by either Party would be a material breach of this agreement, entitling the other Party to all available relief and remedies for such breach; further, any Party that violates the applicable laws or acts in conflict with the foregoing statements and obligations shall defend, indemnify and hold harmless the other Party with respect to any and all damages, penalties, fines and losses which may arise as a result of such breach.

6. Made with Knowledge


- **"Knowledge"** of a corrupt payment to a foreign official means any one of the following:
 - **Actual knowledge** or **awareness** of the corrupt payment or
 - **Firm belief** that the corrupt payment is being made or is substantially certain to occur; or
 - **Willful blindness**, deliberate ignorance, or conscious disregard of the corrupt payment.
- **Actual knowledge is not necessary** for FCPA liability.



Example: Knowledge of Corruption

- A US court upheld the conviction of a private US investor for FCPA violations. The US investor's foreign business associate bribed Azerbaijan officials to privatize a state-owned oil company in a rigged auction for the investor's consortium to win. The court agreed that the US investor had **consciously avoided** confirming this corrupt activity, citing the US investor's:
 - Awareness of the pervasive corruption in Azerbaijan.
 - Knowledge of the business associate's reputation for fraud.
 - Participation in the investment through intermediary companies in an attempt to insulate himself and other investors from FCPA liability.
 - Taped phone conversations in which the US investor voiced concerns about whether his business associate was paying bribes.





FCPA Accounting Provisions

A close-up, blue-tinted photograph featuring a calculator, a pen, and a document with financial data. The calculator, positioned in the upper left, has dark blue buttons with white text, including '8', '9', '6', '+', '-', 'CM', 'RM', 'M-', 'M+', 'C-CE', and 'DEC SET'. A black pen with a silver nib lies diagonally across the lower half of the image. Below the pen, a document displays a table of financial figures in two columns. The numbers are printed in a light blue font, matching the overall color scheme. The image is set against a dark background, creating a professional and focused atmosphere.

- Apply to companies whose securities are registered with the SEC (issuers) or who must file regular reports with the SEC.
- Require that these companies maintain:
 - **Accurate books and records.**
 - **Internal accounting controls.**

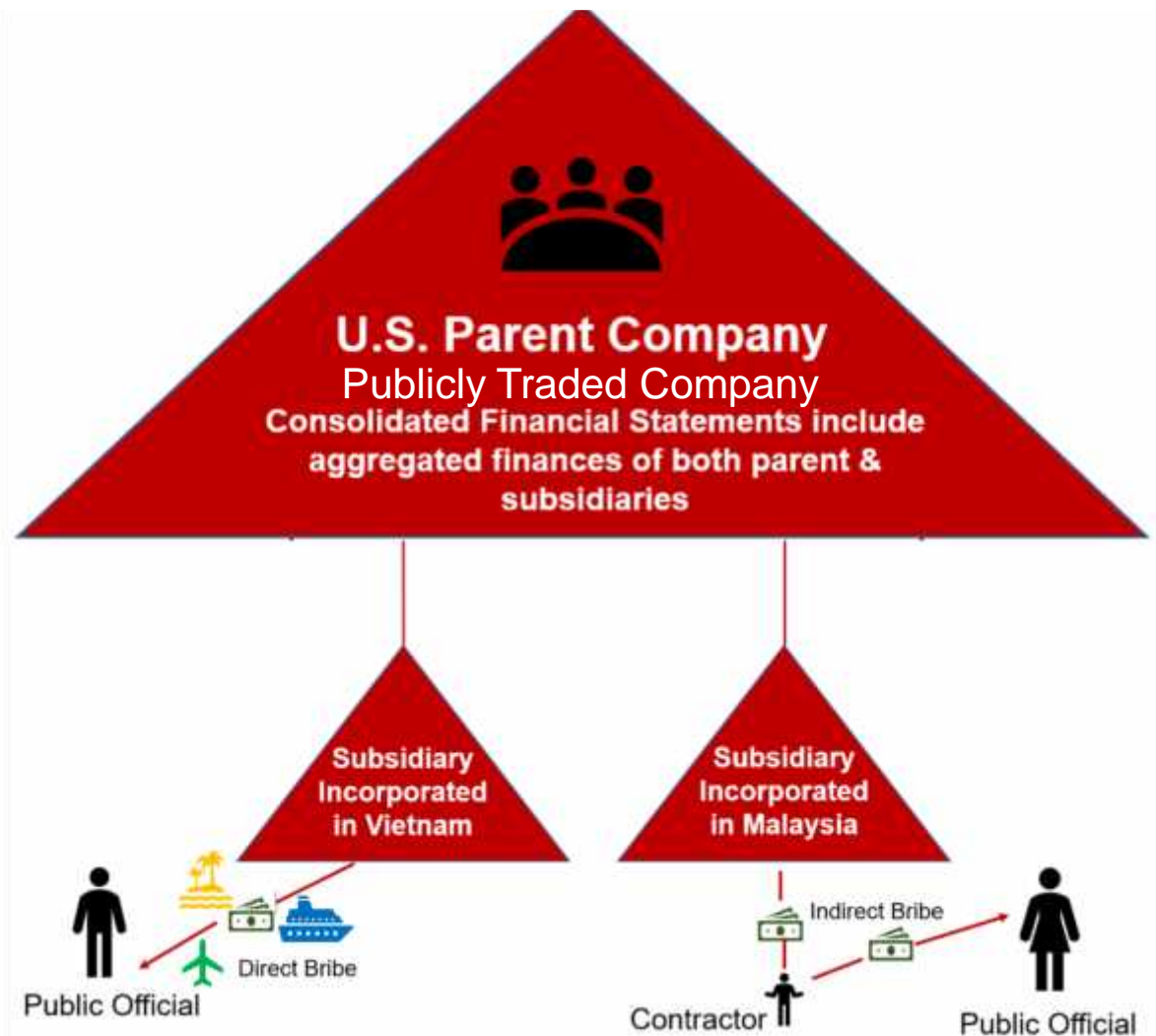


Accurate Books and Records – Excerpt from a Company Policy

- Books and records must be in **reasonable detail** so they accurately reflect [COMPANY]'s transactions.
 - Accounting for payments, gifts, entertainment, etc. must be **accurate and complete**.
 - Any off-book transaction with a foreign government or its agents is a violation.
 - For example, it is a violation for a company to book as "consultant fees" or "incidental fees" money paid to a third party for other reasons, even if no corrupt payment is proven.

Example: Failure to Maintain Accurate Books and Records

- US insurance company's subsidiaries provided travel & entertainment to employees of foreign government-owned companies to obtain business. They also paid third parties to funnel bribes to officials.



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- While bribes were made by subsidiaries, the SEC found US parent company liable because expenses were **not accurately reflected in the US company's books and records**.



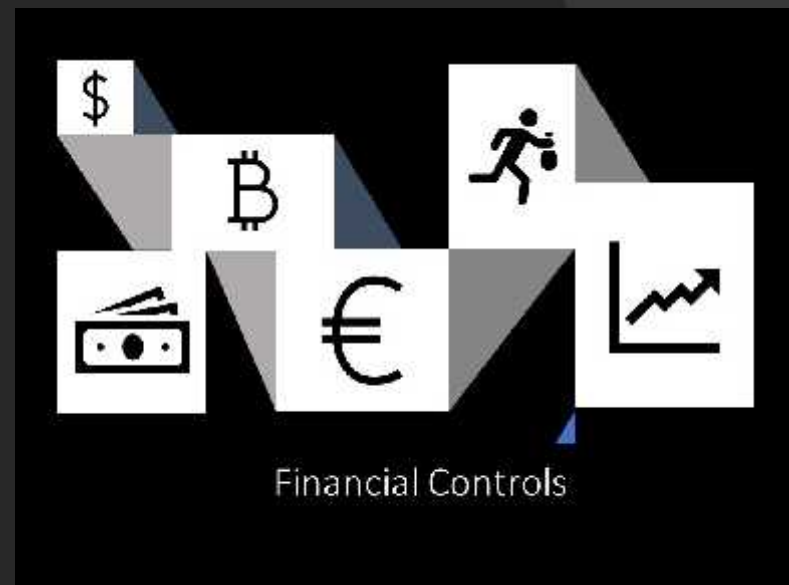
Internal Accounting Controls

- **Internal accounting controls** are supposed to ensure that:
 - Assets are **used as authorized** by company management.
 - Expenses and assets are recorded in accordance with **generally accepted accounting principles**.
 - Accounts are kept in a way that will **reveal any discrepancies** so that appropriate remedial measures may be undertaken.



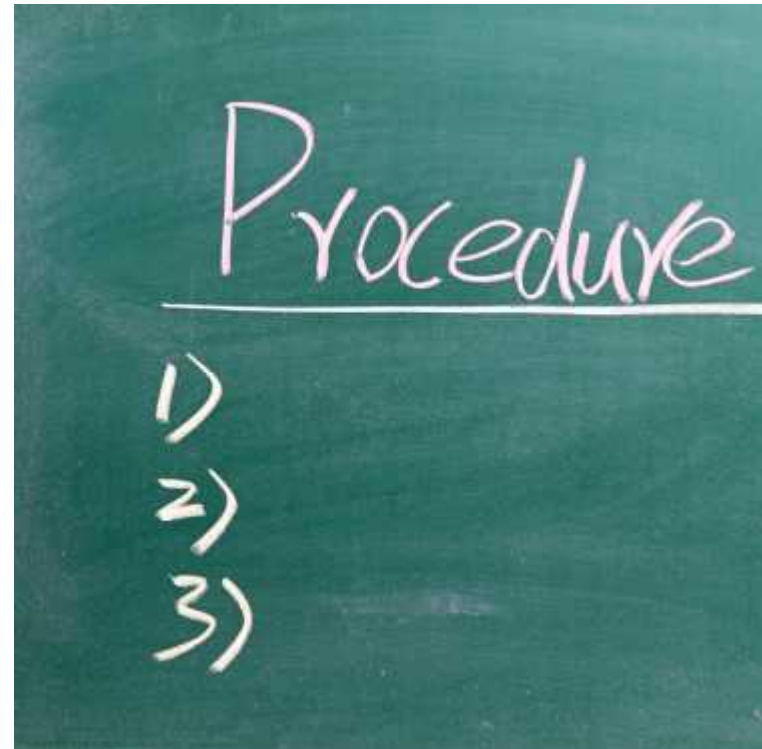
Example 2: Failure to Maintain Internal Accounting Controls

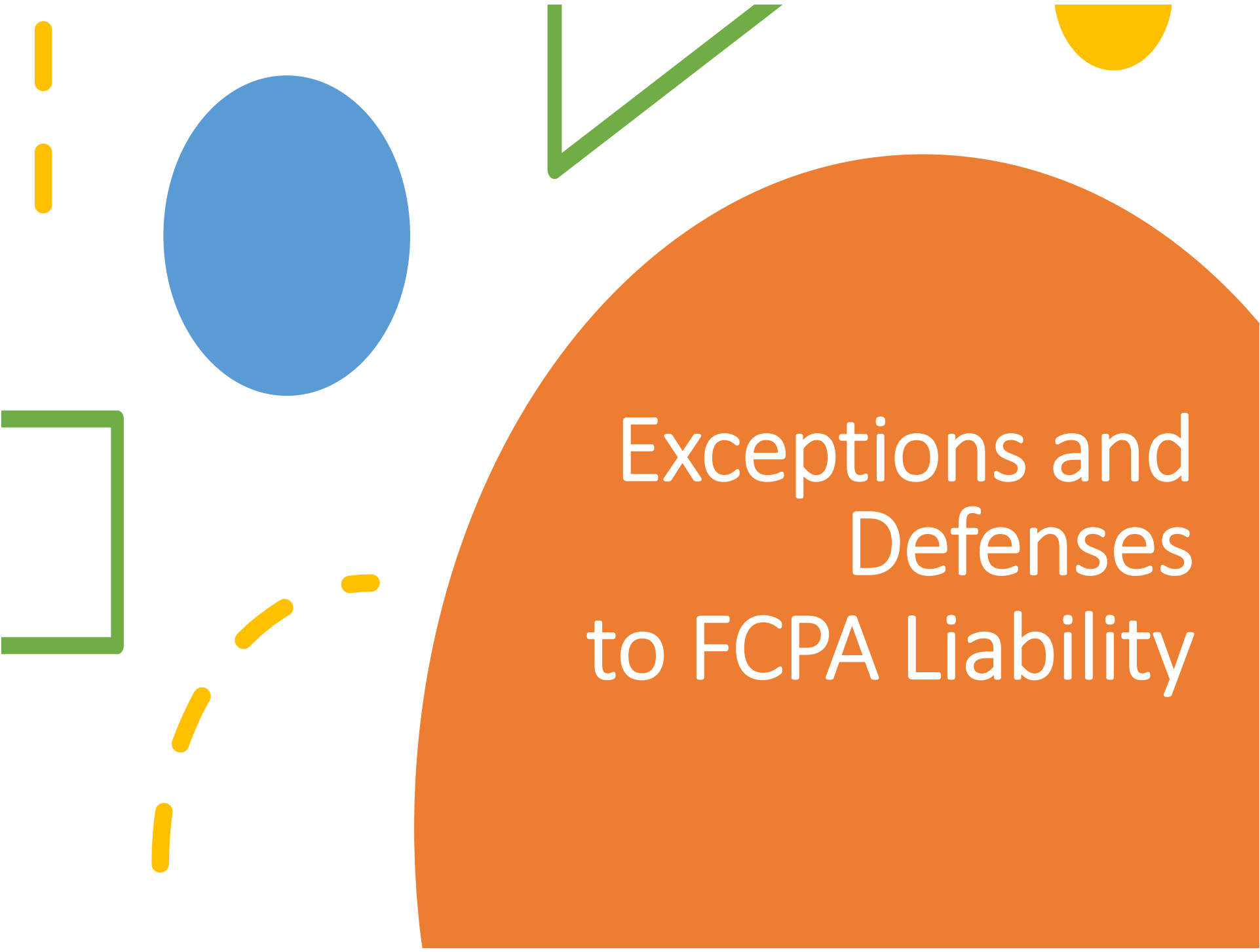
- A US technology company's subsidiaries paid foreign officials to get public contracts. Bribes in Russia and Mexico were made by agents, who were paid inflated commissions to funnel payments to officials. Bribes in Poland were made from off-the-book accounts.
- While these bribes were made by subsidiaries, the SEC found the US parent company liable because it:
 - **Lacked the internal controls** to stop a pattern of illegal payments to win business.
 - Had an **obligation to ensure that its internal controls were both reasonably designed and appropriately implemented** across its entire business operations.
- In 2014, the US company and its subsidiaries agreed to pay \$108 million to the SEC and DOJ to settle the FCPA charges.



What Kinds of Internal Accounting Controls?

- Companies should adopt policies and procedures to implement effective accounting controls, including:
 - Anti-corruption policy.
 - Prohibition on off-the-books transactions.
 - Gifts and entertainment policy.
 - Expense reimbursement policy & forms.





Exceptions and Defenses to FCPA Liability

Defense: Payments to Prevent Physical Harm

- Payments made in response to extortionate demands under **imminent threat of physical harm** do not violate the FCPA.
- However, mere economic coercion does not amount to extortion.



Defense: Facilitating or “Grease” Payments

- **Facilitating payments** are made to expedite **routine, nondiscretionary** governmental functions, such as:
 - Issuing routine licenses.
 - Providing phone, power, and water service.
 - Providing police protection or mail delivery.
 - Scheduling inspections for the loading and unloading of cargo or the protection of perishable goods.
 - Performing clerical duties that do not involve the exercise of discretion.



Defense: Facilitating Payments: Practicalities

- It can be difficult to establish that this exception applies in any particular case.
- A facilitating payment may violate the law of the country where the payment is made.
- A facilitating payment may violate other international anti-bribery laws (e.g., UK Bribery Act 2010) that do not have a facilitating payments exception.
- If a facilitating payment is not accurately recorded, it could violate the FCPA's accounting provisions.

BOTTOM LINE: A company should not allow its employees, agents, etc., to make facilitating payments, even though those payments do not violate the FCPA anti-bribery provisions.





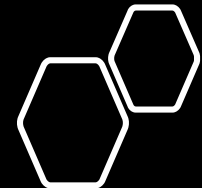
CÁMARA DE DIPUTADOS DEL H. CONGRESO DE LA UNIÓN
Secretaría General
Secretaría de Servicios Parlamentarios

CÓDIGO PENAL FEDERAL

Última Reforma DOF 24-01-2020

Defense:
Permitted
by Written
Local Law

- Payments expressly permitted under the **written law** of the foreign country.



Reasonable and Bona Fide Expense Defense

- Reasonable and bona fide expenses are directly related to either the:
 - **Promotion, demonstration, or explanation of products or services.**
 - **Execution or performance of a contract** with a foreign government or agency.





Example: Reasonable and Bona Fide Expense Defense Not Accepted


- A US telecom company provided **sightseeing trips** to heads of state-owned telecom companies in China to win contracts. The trips were booked as "training" or "factory inspections," and sometimes wrapped onto sales or business meetings.
- The Chinese officials spent **little to no time visiting factories or discussing business content**. For example, in one all-expense paid trip, officials spent five days at the company's facilities and nine days sightseeing in Boston, Hawaii, and the Grand Canyon.
- The DOJ and SEC found that these payments of travel expenses violated the FCPA. The US company agreed to pay over \$2.5 million to the SEC and the DOJ to settle the charges.



Hypothetical 1

ABC Chemical Co. (ABC) is a Delaware company traded on the New York Stock Exchange. ABC enters into an agreement with a French company (Frenchco) to submit a joint bid to the Ministry of Agriculture and Rural Development to build a chemical plant in Vietnam. Executives of ABC and Frenchco decide to hire a third-party consultant with connections to the ministry. ABC, Frenchco, and the consultant meet in New York and agree that the consultant will use part of his commission to bribe ministry officials.

Who is subject to the FCPA?



Answer to Hypothetical 1

All entities are subject to the FCPA.

- ABC is both an **issuer** and a **domestic concern** under the FCPA.
- Consultant is an **agent** of ABC.
- Frenchco and the consultant are subject to the FCPA based on their **conduct in the US**.
- Even if Frenchco and the consultant never met in the US, they may be subject under **conspiracy** law.

Hypothetical 2

Tom Smith, the sales representative of a US medical equipment company, meets Usman Akano at a trade fair. Tom is trying to build a market for his company's products in Nigeria, especially in the public hospital sector. Usman offers to connect Tom with hospital officials and promises to get his products through customs without a problem.

Tom learns that Usman is known as someone who "can get anything done" in Nigeria. Usman's brother is also a high-ranking official in Nigeria's Ministry of Health. Usman's fees are triple what other agents charge for similar services, but he guarantees success if Tom hires him.

What are the red flags in this scenario?

The following circumstances present red flags:

- Usman will be engaged as the US company's agent in Nigeria, a country with a **reputation for public corruption**.
- Usman will **interact with foreign officials** on behalf of the US company at both public hospitals and the customs agency.
- Usman has a **reputation** for getting anything done and **guarantees success**.
- **Usman's brother is a foreign official** in the Ministry of Health, which could influence the purchase of medical equipment at public hospitals.
- Usman's **fees are unusually high**.

Answer to Hypothetical 2

Preparation for Next Week



Check the course website
page for FCPA issues.

<https://corruptioncourse.online/us-fcpa-foreign-corrupt>

We will work through
hypothetical questions
under the FCPA.

