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Federal prosecutors keep close eye on overseas corruption

As businesses expand internationally, federal prosecutors are increasing anti-corruption actions and eyeing international hiring and blatant bribes

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This year marks one decade since the United Nations adopted the Convention against Corruption (UNCAC), the first legally binding international agreement to fight corruption in all of its forms.

Corruption hurts individuals trying to make a fair living. It stunts economies,

undermines democracy and causes citizens to lose faith in their leaders. Just last week, Transparency International released its 2013 Corruption Index, and with countries like Sudan, North Korea and Somalia at the bottom of the list, it is clear that in societies with high levels of corruption, citizens suffer a lack of security, inadequate access to basic services and an inability to enjoy their full human rights.

Corruption has been blamed for impeding economic growth in developing nations, leading to distorted prices and harming businesses. As the world economy has become more and more intertwined, overseas business has come under greater scrutiny for bribery and hiring practices.

In August, JPMorgan Chase claimed to be the subject of U.S. investigations over hiring children of officials at China's state-owned enterprises. In addition, Morgan Stanley and Citigroup reportedly are among other financial institutions that have received letters of inquiry into their overseas hiring.

Corrupt practices such as these have caused trouble for Tyson Foods, which in 2011 paid \$5.2 million to settle allegations it sought favor from the Mexican government by hiring officials' wives for no-show jobs. Meanwhile, Wal-Mart Stores is under investigation over alleged bribes paid in Mexico to open new stores.

Back in May, France-based Total paid \$398 million to settle allegations that it bribed an Iranian official to gain access to that nation's oil and gas fields. The Carter-era Foreign Corrupt Practices Act bans U.S. businesses from bribing

foreign officials to gain advantages in overseas markets, and also bans U.S. businesses from falsifying books to cover up the corrupt payments.

Since 2009, the Justice Department has procured more than \$2.5 billion in FCPA fines. Over the past eight years, the DOJ has secured over three dozen corporate guilty pleas for foreign bribery. This year, the SEC has recovered more than \$240 million in disgorgement and penalties from FCPA cases.

Last month at the UNCAC conference in Panama City, Akaash Maharaj, executive director, of the Global Organization of Parliamentarians Against Corruption (GOPAC), urged the international community to act across borders in the fight against corruption. He said, "We believe there are some forms of corruption so grave, whose effects on human life, human rights, and human welfare are so catastrophic, that they should shock the conscience of the international community and mobilize the will of nations to act across borders."

Corruption costs nations billions in lost revenue. U.S.-based campaign watchdog Global Financial Integrity (GFI) estimates that developing countries alone lost \$859 billion due to illicit financial outflows including corruption, the proceeds of crime and commercial tax evasion. Many say corruption is not just an economic issue but also a human rights issue because the public wealth lost to graft could eradicate extreme hunger and poverty globally.

For more news on corruption, check out the following:

List of most corrupt countries updated

Financial firms face FCPA fines for foreign fraternization

New York State Legislature sues to silence corruption probes

Demystifying the U.S. Foreign Corrupt Practices Act (Part I)

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