

Anti-Bribery and Anti-Corruption (ABAC) Global Enforcement Update

Executive Summary

Even amidst a crippling global pandemic and continued political intrigue on the international scene involving escalating tensions between the west on one hand, and China and Russia on the other, global anti-bribery and anti-corruption (“ABAC”) enforcement efforts in 2021 showed no signs of abating.

While the United States continued to consistently enforce the provisions of the Foreign Corrupt Practices Act (“FCPA”) — albeit at a more measured pace than in recent years — other jurisdictions, including most notably those in Europe and the Americas — have pursued similar efforts, led most notably by the United Kingdom’s Financial Conduct Authority (“FCA”) and Serious Fraud Office (“SFO”).

This update is meant to provide a **general overview** of the most pertinent ABAC developments of 2021 and early 2022, with a specific emphasis on the FCPA, along with a discussion of related ABAC developments in Europe, Latin America, Asia and elsewhere that seem to evince a concerted global effort to combat corruption in all of its various forms.

It is, of course, impossible to discuss every ABAC-related development in the context of a single white paper. Accordingly, in the context of this update, we highlight the importance of only the most relevant enforcement actions, legislative and regulatory developments, and multi-lateral agreements for the benefit of legal professionals and compliance practitioners alike.

FCPA Enforcement in 2021

Under U.S. law, the enforcement of the FCPA — the primary legal mechanism utilized by the federal government to charge institutions and individuals with bribery of foreign governmental officials — was somewhat diminished in comparison with other recent years.

According to statistics published by Stanford Law School's Foreign Corrupt Practices Act Clearinghouse, in 2021, the U.S. Department of Justice ("DOJ") and U.S. Securities and Exchange Commission ("SEC") initiated a mere eighteen (18) enforcement actions combined — the lowest number of cases brought in a single year in over a decade and well below the corresponding average over the same period of thirty-six (36) cases per year. Hampered in part by the ongoing COVID-19 pandemic, the decline in the total number of enforcement actions was accompanied by a noticeable decrease in the number of individuals charged with FCPA violations as well. In 2020, for instance, while a total of twenty-eight (28) individuals were charged with various FCPA-related offenses, in 2021 this number dwindled to a mere sixteen (16), with all of the individuals implicated in potential misconduct being charged by the DOJ. This seems contrary to the DOJ's public commitment — reiterated by Deputy Attorney General Lisa Monaco in late 2021 — to pursue not only the *institutions* involved in the ABAC misconduct at issue but the *individuals* responsible for that conduct as well.

In pecuniary terms, total monetary sanctions imposed by the DOJ and SEC in 2021 against entities implicated in FCPA violations equaled a paltry \$360 million — a 94% **decrease** overall from the previous year. Among the more substantial FCPA recoveries in 2021 were settlements involving (1) Deutsche Bank Aktiengesellschaft ("Deutsche Bank AG"); (2) Amec Foster Wheeler Ltd.; and (3) WPP plc, each of which is discussed in turn, below.

Settlement with Deutsche Bank AG

In January 2021, the lame duck Trump Administration announced a \$130 million settlement with Deutsche Bank AG over both alleged violations of the FCPA and purported fraud in the trade for commodities. Regarding the FCPA specifically, both an SEC administrative proceeding and a DOJ criminal probe unveiled a scheme to conceal corrupt payments and bribes made to foreign officials through third-party intermediaries and so-called "business development consultants" ("BDCs") by falsely recording corresponding entries in Deutsche Bank AG's books and records and circumventing internal accounting controls designed to detect such misconduct.

According to documents filed in the SEC administrative proceeding, these third-party intermediaries and BDCs were utilized by Deutsche Bank AG to retain business in China, Italy, Abu Dhabi, and with a senior unnamed member of a prominent "Middle Eastern royal family" that accounted for a substantial share of Deutsche Bank AG's revenue in the Middle Eastern and Africa. All told, Deutsche Bank AG made approximately \$7 million in improper payments disguised as legitimate expenses and was enriched to the tune of nearly \$35 million. In the context of a settled proceeding initiated on January 8, 2021, the SEC ordered Deutsche Bank AG from to cease and desist from violating the books and records and internal control provisions of the FCPA. As part of its settlement in the SEC proceeding, Deutsche Bank AG agreed to pay disgorgement of \$35,145,619 along with prejudgment interest of \$8,184,003 for a total payment of \$43,329,622. Notably, the SEC did not impose its own civil monetary penalty against Deutsche Bank AG. In the DOJ's parallel enforcement action, however, Deutsche Bank AG pled guilty to conspiracy to violate the books and records and internal controls provisions of the FCPA, as well as conspiracy to commit wire fraud.

Under the terms of a Deferred Prosecution Agreement (“DPA”), Deutsche Bank AG agreed to the payment of a **criminal penalty** of \$79,561,206 and to self-report on the status of its anti-corruption compliance program for a period of three (3) years.

Resolution with Amec Foster Wheeler Ltd

While the settlement of the Deutsche Bank AG FCPA case was by far one of the largest of the year, the SEC also resolved a number of smaller violations in 2021, including most notably with Amec Foster Wheeler Ltd. — a U.S.-based company that provides project, engineering, and technical services to the energy and industrial sectors on an international basis. In that case, Amec Foster Wheeler Ltd.’s UK subsidiary, Foster Wheeler Energy Limited, made improper payments totaling \$1.1 million to Brazilian officials in connection with efforts to win a contract for oil and gas engineering and design services associated with the so-called UFN-IV Project. As with a majority of FCPA cases, these bribes were largely paid through third-party intermediaries, one of whom conspicuously failed Foster Wheeler’s own due diligence process and posed an obvious bribery risk to the organization overall. Foster Wheeler consented to the SEC’s entry of a cease-and-desist order finding that it violated the antibribery, books and records, and internal accounting controls provisions of the FCPA. Under the same agreement, Foster Wheeler agreed to pay \$22.7 million in disgorgement and prejudgment interest, although notably, no civil monetary penalty was imposed against it. Separately, Foster Wheeler entered into a three-year DPA with the DOJ under which it acknowledged responsibility for criminal conduct related to the findings in the SEC order and agreed to pay a fine of \$18,375,000.

Settlement with WPP, plc

In September 2021, the SEC also initiated and settled an action with WPP plc — the world’s largest advertising group — over allegations that poor internal controls and lack of oversight involving its foreign subsidiaries led to multiple bribery and graft schemes in India, China, Brazil and Peru. Among other things, the SEC alleged that WPP plc illegally obtained lucrative public contracts with some foreign governmental officials by orchestrating quid pro quo schemes, curried favor with other government officials over tax audits, and solidified its political support by making corrupt payments to the campaign of an unnamed foreign official disguised as legitimate business expenses.

In addition to its agreement to cease and desist from any further violations of the FCPA, WPP plc agreed to pay disgorgement, prejudgment interest, and civil monetary penalties in the total sum of \$19,224,659.54 for violating the antibribery, books and records, and internal controls provisions of the FCPA. The SEC’s cease-and-desist order noted that WPP plc had taken extensive remediation efforts, including but not limited to, terminating senior executives involved in the underlying misconduct; strengthening and expanding its compliance, internal investigation, risk and controls functions on a global basis; conducting annual compliance risk assessments; proactively monitoring the activities of its remaining subsidiaries in Brazil, China and India; and enhancing its third-party due diligence efforts.

The Biden Administration Designates Corruption as a National Security Priority

In addition to enforcement actions taken by the SEC and DOJ, on June 3, 2021, President Joseph R. Biden, Jr. signed a [presidential memorandum](#) declaring the fight against global corruption as an urgent national security priority of the United States. Finding that corruption is corrosive of public trust, undermines global anti-poverty and development efforts, and contributes to political instability thereby empowering authoritarian regimes, President Biden ordered interagency coordination to formulate a cohesive strategy to modernize and improve the ability of the United States — working both domestically and with its international partners — to ferret out corruption in all of its various forms, and to hold individuals involved in corrupt schemes accountable for their criminal misdeeds. Specifically, the memorandum called for the National Security Advisor, Assistant to the President for Economic Policy, and Assistant to the President for Domestic Policy to spearhead a review involving key Cabinet Departments and other executive agencies and formulate a multi-faceted strategy for confronting corruption on an international basis. Somewhat ambitiously, the memorandum called for completion of the interagency review by the end of 2021 — a target that was ultimately achieved by the Administration.

In a [detailed report](#) released on December 6, 2021, the federal government identified five (5) key pillars supporting its comprehensive initiative to combat global corruption. Those five pillars include: (1) modernizing, coordinating, and resourcing federal efforts to fight corruption; (2) curbing illicit finance; (3) holding corrupt actors accountable; (4) preserving and strengthening the existing multilateral ABAC architecture; and (5) enhancing diplomatic engagement and leveraging foreign assistance to advance ABAC policy goals.

The first pillar of the Biden Administration’s ABAC policy — namely, the modernization and coordination of federal efforts to fight corruption — encourages the federal government to improve its ABAC related research, data collection and analysis with the purpose of sharing that information domestically and internationally. As the report notes, a critical component of this ABAC pillar is a renewed focus on the transnational dimensions of corruption. To that end, the highlight of the report’s first pillar is the creation of a new anti-corruption task forces within the U.S. Department of Commerce and the United States Agency for International Development (“USAID”). Such task forces will work alongside current agency partners within the U.S. Departments of the Treasury and State to “adopt new measures to enhance coordination and elevate diplomatic outreach, multilateral engagement, and alignment of policy, diplomacy and foreign assistance” objectives. Notably, the first pillar of the Administration’s ABAC policy also involves an increase in law enforcement resources and a “bolstering” of information sharing between the intelligence community and civilian law enforcement agencies..

In the second prong of the Biden Administration’s ABAC national security policy is an intense focus on combatting illicit finance by strengthening U.S. anti-money laundering regulations and working with U.S allies and other strategic partners to address governance weaknesses and other deficiencies that permit otherwise illicit transactions to remain undetected. To that end, the December 2021 report calls for action on the part of the United States government to finalize much-needed ultimate beneficial ownership (“UBO”) regulations, including establishing a database of beneficial owners of certain companies, in order to help domestic and internal partners more readily identify so-called “bad actors.” Somewhat conspicuously, the Biden Administration’s long-term ABAC enforcement efforts will also include targeting those who serve as “gatekeepers to the [U.S.] financial system” — including but not limited to, lawyers, accountants, trust companies and other service providers. Long overlooked as a source of potentially corrupt activity, professional service providers will now face the same scrutiny as their clients for facilitating any corrupt acts on behalf of domestic or foreign entities and individuals.

The third prong of the Biden Administration's strategy focuses squarely on the concept of individual accountability. As the report notes, while the U.S. government will work to address deficiencies and decrease the ability of corrupt actors to launder illegal proceeds, it will accomplish these objectives through 'vigorous' enforcement of foreign bribery cases via the FCPA, money laundering regulations, and civil asset forfeitures for promoting corrupt schemes. These efforts will be complemented by the establishment of a special Kleptocracy Asset Recovery Rewards program in the Treasury Department that will significantly improve the federal government's ability to identify and recover stolen assets linked to foreign government corruption. Originally authorized as part of the National Defense Authorization Act ("NDAA") for FY 2021, the Kleptocracy Asset Recovery Program permits the Treasury Department to provide incentives to whistleblowers who provide information resulting in the restraining, seizure, forfeiture, or repatriation of stolen assets linked to foreign government corruption that enter the United States or come within the control of a U.S. person. While the NDAA for FY 2021 capped monetary rewards at \$25 million per year, the Kleptocracy Asset Recovery Program is still in its infancy. Should the program prove successful over the long-term, we expect to see congressional and/or agency action to expand awards available under the program and to supplement its fiscal allocation. Finally, a notable addition to the third prong of the Biden report is a commitment to work with the private sector to "improve the international business climate" by encouraging both U.S. and international companies to adopt anti-corruption compliance programs. While the reach of U.S. jurisdiction involving FCPA claims is already more attenuated than most global ABAC statutes, the adoption of formal anti-corruption compliance programs supported by adequate resources, periodic training, appropriate due diligence, and frequent monitoring by international corporations has lagged. The Administration's commitment to changing course in this regard should put all international organizations on notice that the need for an effective ABAC compliance program is no longer an option, but an imperative.

The penultimate prong of the Administration's anti-corruption policy focuses on the need for increased multilateral engagement. Because modern corruption cases often have an international dimension, this prong of the Biden Administration's strategy focuses intently on preserving and strengthening international anti-corruption architecture in organizations such as the Organization for Economic Cooperation and Development ("OECD"), the Organization of American States ("OAS"), and the United Nations ("UN"). In addition to action on more conventional international fronts, the Biden report also calls for engagement with NATO, the G20 and G7 with the goal of implementing "strong transparency and anti-corruption measures against all ministerial tracks." The fifth and final pillar of the Administration's strategy largely complements the fourth by elevating and expanding the scale of diplomatic and foreign assistance to enhance the ability of allied governments to more effectively combat global corruption. To that end, the report calls for the substantial expansion of U.S. provided anti-corruption assistance, expanded support for the institutions of civil society overseas that encourage governmental accountability and transparency (including the protection of investigative journalists), and the use of more sophisticated technological means developed by government-hired hackers to develop cutting-edge technology to disrupt illicit finance and other resource flows.

While ambitious, the Biden Administration's elevation of the fight against corruption as a national security priority of the United States is sure to be a significant factor in pushing domestic and international organizations across economic sectors to adopt effective ABAC compliance programs. Expanded multilateral cooperation and diplomatic engagement means that the once secretive activities of organizations shrouded in a veil of a secrecy will now be exposed to the limelight.

OECD Annual Report on Enforcement of the Anti-Bribery Convention

On 23 December 2021, the OECD released an [annual report](#) on the enforcement of the [Anti-Bribery Convention](#), to which all thirty-eight (38) OECD members and six (6) non-members (Argentina, Brazil, Bulgaria, Peru, Russia, and South Africa) are official signatories. The latest report contained mixed results. Although accounting for approximately 1.86% of the world's total GDP, for instance, **Mexico** reported absolutely no criminal enforcement actions taken against either natural or legal persons, let alone long-term ABAC acquittals or convictions for foreign bribery-related offenses. Taken in isolation, the report of no foreign bribery enforcement activity for a single year might not be indicative of a larger issue; however, OECD's Annual Report purports to cover a multi-decade period between 15 February 1999 and 31 December 2020 — a span of approximately twenty-two (22) years. By far, however, the most telling statistic from the OECD report pertains to the **Russian Federation**. Although accounting for 3.17% of the world's total GDP, not a single individual or entity has been convicted of a bribery offense over the same twenty-two (22) year period. In contrast, **Germany**, which accounts for 3.46% of the world's GDP and the **United States**, which accounts for 16.05% of global GDP led the way with convictions for foreign bribery-related offenses with respect to both natural and legal persons. As the raw statistics demonstrate, however, the goals of the Anti-Bribery Convention are far from being realized, with far too many industrialized nations having the dubious distinction of showing little, if any, commitment to upholding ABAC norms as national policy priorities.

Anti-Bribery and Corruption Developments

While the sheer reach of the FCPA makes it a popular focus of ABAC enforcement discussion, a number of other noteworthy events occurred in 2021 involving nations other than the United States.

In the **United Kingdom**, the Financial Conduct Authority (“FCA”) aggressively pursued institutional actors implicated in ABAC schemes, including most notably Credit Suisse, which was subjected to a **financial penalty of £147 million** in October 2021 for its role in failing to properly manage the risk of financial crime with its emerging markets business. The FCA alleged that — between approximately October 2012 to March 2016 — Credit Suisse had sufficient information to suggest that its activities in Mozambique involving two loans and a bond exchange implicating governmental projects posed an unacceptable ABAC risk. Egregiously, the FCA alleged that Credit Suisse officials (including two managing directors) knowingly accepted bribes worth over \$50 million from a foreign contractor known as the “master of kickbacks” in order to secure more favorable credit terms for the Mozambiquan government. Credit Suisse employees subsequently took steps to conceal their illegal deeds. Importantly, the FCA noted that “warning signs” of potential corruption should have been evident to both Credit Suisse’s internal control operations and its senior leadership. Noting that, “time and again there was insufficient challenge within Credit Suisse, or scrutiny and inquiry in the face of important risk factors and warnings,” the UK government ultimately ascertained that the total amount of the bribes paid by Mozambiquan officials to Credit Suisse personnel totaled more than \$137 million. The FCA action was part and parcel of a global enforcement action involving multiple foreign jurisdictions — including the United States. In all, Credit Suisse was fined nearly \$475 million as part of a global resolution reached with the FCA, U.S. regulators, and the Swiss Financial Market Supervisory Authority (“FINMA”).

Among other noteworthy actions, the UK’s Serious Fraud Office (“SFO”) also pursued **criminal charges** against Petrofac Limited that came to a head on 24 September 2021 with guilty pleas entered by Petrofac Limited to seven (7) charges involving bribery between 2011 and 2017 in the Westminster Magistrates’ Court. The conduct at issue involved orchestrated efforts by Petrofac Limited’s subsidiaries, officers, employees and agents to facilitate bribery, corruption and money laundering in Iraq, Saudi Arabia, and the United Arab Emirates. Specifically, the SFO alleged — and Petrofac Limited conceded — that it failed to prevent former senior executives affiliated with the larger Petrofac Group from engaging in elaborate schemes to influence the award of contracts by disguising payments made to subcontractors, consummating fake contracts for fictitious services, and passing bribes through more than one intermediary and one country in a deliberate effort to avoid detection. As a result of its guilty pleas, Petrofac Limited was ordered to pay confiscation of £22,836,985, a fine of over £47,197,640, and SFO’s costs of £7 million, for a total criminal penalty of £77,034,625. In addition to the criminal charges leveled against Petrofac Limited itself, the SFO also initiated a criminal action against David Lufkin, a British national who previously served as Global Head of Sales for Petrofac International Limited and was implicated in the bribery, corruption and money laundering scheme. Lufkin plead guilty to eleven (11) counts of bribery relating to payments or offers of over \$181 million in bribes to win contracts in the Middle East. Because of his cooperation with the SFO’s investigation, the Court imposed a sentence of two (2) years’ custodial confinement, which the Court suspended for eighteen (18) months.

ABAC enforcement efforts also received renewed attention in **France**, with the issuance by the French Anti-Corruption Authority (“AFA”) in January 2021 of new guidelines defining the implementation of an effective anti-corruption compliance program. Among other things, the 2021 update placed an increased emphasis on incorporating broader risks in an organization’s risk mapping or assessment activities. These include, but are not limited to, fraud and abuse of corporate assets, concealment of illicit activity, and money laundering. In response to these and other broader risks, organizations

are explicitly encouraged by the AFA to collect information on potential risks through the more frequent utilization of compliance workshops, employee interviews and questionnaires. According to the AFA, moreover, a critical component of risk mapping or risk assessment is the direct involvement of both senior management and an organization's board of directors. Similar to the aforementioned details, the AFA's other recommendations — including implementing competitive bidding, empowering and resourcing a centralized compliance function, etc. — are all familiar concepts to experienced compliance and ethics professionals. Nonetheless, adherence to the AFA's guidelines is mandatory for both companies based in France and international organizations maintaining a presence there. As such, familiarity and compliance with the recommendations of the AFA's updated guidelines is a must for companies with French connections.

Closer to home in **Brazil**, in February 2021, the Brazilian government officially suspended Operation Car Wash ("Lava Jato"), a major corruption scandal billed as one of the largest in that country's history. Initiated in March 2014, Operation Car Wash initially focused on black money market dealers ("doleiros") who used small businesses such as gas stations to launder the profits of crime. Quickly, however, the investigation ultimately uncovered the participation of executives at *Petróleo Brasileiro S.A.* ("Petrobras") — a state-owned oil and petroleum company — in a sordid web of lies and kickbacks. Under questioning, Paulo Roberto Costa, Petrobras' director of refining and supply, admitted that he and other Petrobras executives and directors had been significantly overpaying on contracts with a wide range of companies involved in the construction of offices, drilling rigs, refineries and exploration vessels. In return for guaranteed business on disproportionately favorable terms, the contractors engaged by Petrobras agreed to funnel between 1 and 5 percent of every deal into secret "slush funds." Operation Car Wash resulted in 295 arrests, 278 convictions,

and the recovery of approximately \$803 million in ill-gotten gains. Among the more notable individuals successfully prosecuted was former Brazilian President Luiz Inácio Lula da Silva, who was convicted of corruption charges involving influence peddling on behalf of Odebrecht — a Brazilian conglomerate operating in the engineering, construction, chemicals and petrochemicals industries. Lula da Silva was purportedly the mastermind behind a bribery scheme that benefitted both his political party and his own presidential campaign. He was also convicted of receiving approximately \$1.2 million in non-pecuniary benefits in the form of improvements made by Brazilian company Grupo OAS to his beachfront property.

On April 15, 2021, however, Lula da Silva's conviction was vacated by Brazil's Supreme Court on the grounds that the lower court in which Lula da Silva was tried lacked jurisdiction. The case was subsequently transferred to a Brazilian federal court for retrial, which as of the date of this update, has not yet commenced. According to multiple sources, should Lula da Silva not be convicted during a retrial, he will be eligible to seek the presidency of Brazil again this year.

In October 2021, Rolls Royce — another prominent party implicated in Operation Car Wash — signed an agreement with the Brazilian Office of the Comptroller and Attorney General to pay \$27.8 million to settle allegations that it, too, bribed Brazilian officials in connection with contracts awarded by Petrobras. Previously, Rolls Royce had agreed to pay more than \$800 million under a global settlement reached with the SFO, DOJ, and Brazil's Federal Prosecution Service ("MPF"). According to media reports, the \$27.8 million will be credited against the \$25.6 million Rolls Royce already paid to the MPF, leaving the company to pay an additional \$2.2 million for its misdeeds.

ABAC Predictions for 2022 and Beyond

With respect to ABAC activities, the first quarter of 2022 has been largely overshadowed by volatile geopolitical circumstances — including Russia’s unprovoked incursion into Ukraine and escalating tensions between the west and China over human rights abuses and trade issues. As a consequence, much of the legislative and regulatory foci have been fixated squarely on **sanctions regulations** implemented by the United States, the United Kingdom, the European Union, and other western allies. Nonetheless, the fight against global corruption continues, with the DOJ resolving two (2) criminal FCPA-related actions in the first two months of 2022 — the first involving the **director of an international adoption agency** and the bribery of Ugandan officials, and the second involving a **group of unidentified U.S. investment fund companies located in Florida** that bribed officials in Ecuador to secure contracts for investment advisory services to Instituto de Seguridad Social de la Policia Nacional (“LISSPOL”) — an Ecuadorian state-owned institution responsible for managing the financial contributions of

Ecuadorian police officers toward their retirement. According to the indictment filed in the U.S. District Court for the Southern District of Florida, the owner of those companies — namely, Jorge Cherrez — and LISSPOL’s risk director — John Luzuriaga Aguinaga — were charged with various offenses, including conspiracy to commit money laundering, fraud, and violations of the FCPA, among other things. According to information retrieved from the DOJ’s website, a plea agreement was reached in early February 2022, although no details concerning that agreement were immediately available.

Notwithstanding current global political circumstances, ABAC enforcement remains a top priority for the United States and other critical allies. As a national security priority, we fully expect to see more global collaboration with authorities in countries where FCPA-related violations are alleged to have occurred and even prosecutions initiated by those nations against their own citizens in connection with such violations. Moreover, although 2022 was a lax year overall for ABAC enforcement actions, we believe that the waning pandemic and return to some semblance of normality will result in more investigative and prosecutorial resources being devoted to combatting violations of global ABAC norms.

As such, we offer the following three (3) key takeaways for legal and compliance professionals with respect to ABAC concerns generally:

1. Third-party due diligence is critical to understanding the nature of an organization's ABAC risk.

Although this is somewhat self-evident, far too companies still lack the ability to screen all of their various third parties on a proactive, continuous basis for ABAC-related concerns. In addition, ABAC due diligence is still largely viewed as pro forma, rather than as an integral part of ascertaining whether a third-party poses an elevated risk for the organization.

We strongly encourage compliance professionals to take their screening and due diligence obligations seriously and to follow U.S. and international guidelines calling for a risk-based approach to screening all third parties with which the organization proposes to engage and is currently engaged

2. The FCPA remains a powerful weapon in the U.S. government's arsenal to drive ABAC enforcement in other nations.

Even prior to the Biden Administration's release of its national security strategy concerning global corruption, multilateral engagement has been a core focus of U.S. and foreign regulators in recent years. The release of the Administration's strategy in December 2021 will only serve to enhance these efforts by providing additional resources to countries striving to combat corruption domestically. As Operation Car Wash and any number of other investigations initiated by the United States government proved, international cooperation is a critical component of ferreting out corruption at the root — in the process holding both government officials and private individuals accountable for their corrupt deeds.

3. COVID-19 presents a multitude of opportunities for violation of ABAC laws and regulations.

The sheer amount of government expenditures on COVID-19 related supplies and services — and lax oversight during the initial phases of the pandemic — naturally lends itself to fraud and corruption in all of its various iterations. As a result, we expect to see efforts by governments internationally to aggressively pursue companies and individuals that benefitted illegally from the pandemic through the award of lucrative public contracts. In the United States, a key ABAC enforcement tool is qui tam actions — that is, actions initiated by a private party involving the federal government accusing another private party of defrauding the government by inflating prices, doctoring invoices, etc. A successful conclusion that a party did, in fact, defraud the government results in a substantial monetary award to the person who filed the suit. In conjunction with DOJ action, we predict a surge in qui tam lawsuits related to COVID-19 in the years to come. We also predict that U.S. companies could face FCPA-related administrative and/or criminal actions for their conduct during the pandemic. Because U.S. companies often contracted with foreign governments to supply COVID-related medical tests and other services, we expect to see at least some action on the part of the DOJ and/or SEC to prosecute unscrupulous actors who employed bribery to secure foreign government contracts.



About Diligent Corporation

Diligent is the leading governance, risk and compliance (GRC) SaaS company, serving 1 million users from over 25,000 customers around the world. Our innovative technology gives leaders a connected view of governance, risk, compliance and ESG across their organizations, sparking the insights they need to make better decisions and lead with purpose.

Learn more at diligent.com

For more information or to request a demo:

Email: info@diligent.com • Visit: diligent.com