

Foreign Corrupt Practices Act/Anti-Corruption

With the increasing globalization of our economy, companies are faced with new challenges, as well as new opportunities. Part of this new environment is compliance with laws such as the Foreign Corrupt Practices Act, or FCPA, that regulate the way U.S. companies transact international business. Enacted in 1977, the FCPA was a response to government findings that hundreds of U.S. companies, including many of the Fortune 500, were using cash and "slush funds" to make questionable or illegal payments to foreign government officials, politicians and political parties. The purpose of the FCPA is to halt the bribery of foreign officials and restore public confidence in the integrity of the American business system.

Recent international initiatives, including the Inter-American Convention against Corruption and the OECD's Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, have refocused the world's attention on anti-corruption issues. Major U.S. trading partners are enacting legislation similar to the FCPA. These international efforts to battle corruption mean that U.S. companies can compete on the merits with increasing certainty that they will not be undercut by a competitor's illicit payment to a foreign-government purchaser. They also mean that there is an increased emphasis on enforcement of anti-corruption legislation worldwide, and particularly of the FCPA within the U.S., making company compliance more important than ever.

Course Summary

This 35-minute course explains FCPA and global anti-corruption measures in simple, understandable terms. It includes pop-quizzes, news clippings and a final quiz highlighting real-world compliance issues that employees should learn to recognize and respond to appropriately. The topics covered in the program include —

- FCPA overview
- Why anti-corruption is important
- Scope of the FCPA
- Prohibited recipients and payments
- Intent and the "knowing" standard
- Due diligence and "red flags"
- Exceptions and defenses
- Accounting and recordkeeping
- Penalties for FCPA violations