

2017: A YEAR OF CLARIFICATION & CONSOLIDATION

SCCE Utilities and Energy Conference
Washington, DC
February 9, 2018

PRESENTER AND CONTACT INFORMATION

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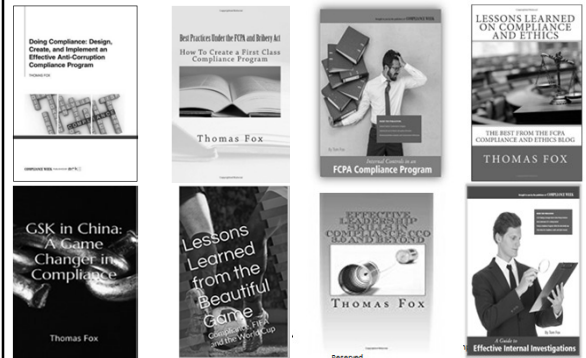
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THE COMPLETE COMPLIANCE HANDBOOK



AVAILABLE APRIL 2018 FROM COMPLIANCE WEEK

PUBLICATIONS-PARTIAL LIST



COMPLIANCE PODCAST NETWORK



THE COMPLIANCE PODCAST NETWORK



SOME NUMBERS 2017 in Review

TOP TEN FCPA ENFORCEMENT ACTIONS-2017 & 2016

2016

1. Siemens - \$800MM in 2008
2. Alstom - \$772MM in 2014
3. Halliburton - \$579MM in 2010
4. Teva Pharmaceutical - \$519MM in 2016
5. Odebrecht/Braskem - \$419MM in 2016
6. Och-Ziff - \$412MM in 2016
7. BAE - \$400MM in 2010
8. Total - \$398MM in 2013
9. VimpelCom - \$397.6MM in 2016
10. Alcoa - \$384MM in 2014

Source: FCPA Blog

2017

1. Telia Company - \$965MM in 2017
2. Siemens - \$800 MM in 2008
3. VimpelCom - \$795MM in 2016
4. Alstom - \$772 million in 2014
5. KBR / Halliburton - \$579 MM in 2009
6. Teva Pharmaceutical - \$519MM in 2016
7. Keppel Offshore & Marine Ltd. - \$422 MM in 2017
8. Och-Ziff - \$412 million in 2016
9. BAE: \$400MM in 2010
10. Total \$398MM in 2013

Source: FCPA Blog

TOP TEN GLOBAL ENFORCEMENT ACTIONS

2017 Top 10 International Anti-Corruption Enforcement Penalties

1. JBF-Brazil-\$3.6 bn-Brazil
2. Odebrecht/Braskem-\$2.6 bn- in US, Switzerland and Brazil
3. Siemens-\$1.6bn-in Germany and US
4. Telia Company -\$965MM –US and Sweden
5. Rolls-Royce-\$809MM in the UK, US and Brazil
6. Alstom-\$814 in US and Switzerland
7. Rolls-Royce-\$809MM in the UK, US and Brazil
8. Vimpelcom-\$795MM in US and The Netherlands
9. Halliburton-\$604MM in US and Nigeria
10. Teva Pharmaceutical-\$519MM in US

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6. Halliburton-\$604MM in US and Nigeria
7. Teva Pharmaceutical-\$519MM in US
8. GSK: \$498MM in China
9. Och-Ziff-\$412MM in US
10. BAE-\$400MM in US

KEY CASES

Four of the Top Ten FCPA Actions of all time in 2017

1. TELIA COMPANIES-\$965 MM IN US AND SWEDEN
2. ROLL-ROYCE-\$891 MM IN UK, US AND BRAZIL
3. KEPPEL OFFSHORE -\$421 IN US AND SINGAPORE
4. SBM OFFSHORE- \$240MM IN 2015 + \$238MM IN 2017=\$478MM

Declinations with Disgorgement

1. LINDE GAS-\$7.8 MM FINE & AND \$3.4MM PROFIT DISGORGEMENT=TOTAL PENALTY OF \$11.2 MILLION.
2. CDM SMITH-\$4MM PROFIT DISGORGEMENT AND WORLD BANK DEBARMENT

Recidivists

1. BIOMET-ADDITIONAL \$30MM FINE, NEW CHARGES AND DPA & 3 YEAR MONITORSHIP
2. ORTHOFIX-ADDITIONAL \$6.1MM FINE
3. HALLIBURTON-\$29MM PAID IN SEC ENFORCEMENT ACTION. NO ADDITIONAL MONITORSHIP

Key Individual Actions

1. C-Suite-SBM Offshore & Contorguris CEOs
2. Och-Ziff and Rolls Royce Follow-ons

**FCPA CORPORATE
ENFORCEMENT
POLICY**

Four Elements=Presumption of Declination

- 1. SELF-DISCLOSURE
 - 2. EXTRAORDINARY COOPERATION
 - 3. EXTENSIVE REMEDIATION
 - 4. PROFIT DISGORGEMENT
- =
- PRESUMPTION OF DECLINATION

Additional Benefits

- 1. UP TO 50% DISCOUNT
- 2. 25% WITH NO SELF-DISCLOSURE
- 3. DECLINATION?

QUALITY AND RESOURCES DEDICATED TO COMPLIANCE

- The resources the company has dedicated to compliance;
- The quality and experience of the personnel involved in compliance, such that they can understand and identify the transactions and activities that pose a potential risk;
- The authority and independence of the compliance function and the availability of compliance expertise to the board;
- The compensation and promotion of the personnel involved in compliance, in view of their role, responsibilities, performance, and other appropriate factors; and
- The reporting structure of any compliance personnel employed or contracted by the company.

THE EVALUATION

Key Additions to 10 Hallmarks of an Effective Compliance Program

1. ROOT CAUSE ANALYSIS
2. LEADERSHIP CONDUCT
3. TRAINING EFFECTIVENESS
4. CCO AND COMPLIANCE FUNCTION PAY, STATUS AND AUTHORITY

ODDS AND ENDS

Kokesh

1. 5-YEAR STATUTE OF LIMITATIONS ON SEC ACTIONS
2. INCREASE SPEED OF SEC ENFORCEMENT
3. DROP IN PROFIT DISGORGEMENT PAYMENTS

New DOJ Focus on the Economic Aspects of Corruption

1. AG SESSIONS APRIL SPEECH
2. AAG KEN BLANCO NOVEMBER SPEECH
3. DAG ROSENSTEIN ANNOUNCEMENT OF NEW FCPA CORPORATE ENFORCEMENT POLICY

Anniversaries

- 40TH ANNIVERSARY OF FCPA
20TH ANNIVERSARY OF OECD

Internationally

- 1. 3RD AND 4TH DPAS IN UK UNDER BRIBERY ACT
- 2. NEW FRENCH LAW SAIPAN II
- 3. PERU AND ARGENTINA BOTH HAVE NEW ABC LAWS
- 4. WHERE WILL 2017 FOCUS ON SOUTH AMERICA LEAD?

Shareholder Actions

- 1. PETROBRAS US-\$2.9BN FOR SHAREHOLDERS
- 2. VEON (FORMERLY VIMPELCOM)

COMPLIANCE
TRENDS GOING
FORWARD

1. MORE INDIVIDUAL ENFORCEMENT
2. MORE PRESSURE TO SELF-DISCLOSE
3. BRAZIL TO CONTINUE TO BE HIGH RISK
4. SOUTH AFRICA WILL BE THE NEW COUNTRY SWEEP

QUESTIONS?