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Anti-Corruption

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Anti-Corruption

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I. United States Developments

Many of the cases in 2014 involving violations of the Foreign Corrupt Practices Act (FCPA) related to follow-on aspects of cases previously charged.¹ But of particular significance in the public pronouncements by the U.S. Department of Justice (“DOJ”) and U.S. Securities and Exchange Commission (“SEC”) were myriad cases where a more favorable resolution was attributed to the level of cooperation, including self-disclosure, extensive remediation, and enhancement of compliance programs and internal controls.

A. MAJOR ENFORCEMENT ACTIONS

A sampling of the more significant enforcement actions includes the following cases:²

1. *Alcoa*

Stemming from a complex series of transactions involving an alumina supply contract for Bahrain, Alcoa World Alumina LLC, a majority-owned and controlled sales company of Alcoa Inc. (“Alcoa”), pleaded guilty to a violation of the FCPA’s anti-bribery provisions.³ In that case, a London-based middleman with ties to certain royal family members was inserted “as a sham sales agent,” at the request of members of Bahrain’s royal family who

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1. See Foreign Corrupt Practices Act of 1977, Pub. L. No. 95-213, 91 Stat. 1494 (codified as amended at 15 U.S.C. §§ 78m, 78dd-1 to -3, 78ff (2014)).

2. More complete information on enforcement actions is available on the DOJ website, *FCPA and Related Enforcement Actions*, JUSTICE.GOV, <http://www.justice.gov/criminal/fraud/fcpa/cases/a.html> (last visited Mar. 13, 2015), and the SEC website, *SEC Enforcement Actions: FCPA Cases*, SEC.GOV, <http://www.sec.gov/spotlight/fcpa/fcpa-cases.shtml> (last visited Mar. 13, 2015).

3. Press Release, U.S. Dept. of Justice, *Alcoa World Alumina Agrees to Plead Guilty to Foreign Bribery and Pay \$223 Million in Fines and Forfeiture* (Jan. 9, 2014), *available at* <http://www.justice.gov/opa/pr/alcoa-world-alumina-agrees-plead-guilty-foreign-bribery-and-pay-223-million-fines-and>.

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controlled the tender process, and was paid “a corrupt commission intended to conceal bribe payments.”⁴ Alcoa entered into a settlement with the SEC for violations of the FCPA’s accounting and record-keeping provisions based on these facts and the SEC’s reference to the lack of due diligence as to the business purpose of the middleman.⁵

2. *Bio-Rad Laboratories, Inc.*

A United States-based issuer and medical manufacturer, Bio-Rad Laboratories Inc. (Bio-Rad”), agreed to pay a fine and entered into a non-prosecution agreement (“NPA”) with the DOJ to resolve allegations that it violated the FCPA by falsifying its books and records and failing to implement adequate internal controls in connection with sales in Russia.⁶ Of particular note was the use of intermediaries who lacked the capacity to carry out the services to be performed. Bio-Rad also agreed to a settlement with the SEC for similar violations in Russia, Thailand, and Vietnam relative to the sales practices of its subsidiaries.⁷

3. *Hewlett-Packard Company*

The DOJ resolved its investigation into violations of the FCPA by Hewlett-Packard Company (HP) in the form of a plea with its Russian subsidiary, a deferred prosecution agreement (“DPA”) with its Polish subsidiary, and an NPA with its Mexican subsidiary.⁸ Record-keeping and internal controls violations were alleged to have facilitated the improper payments to foreign officials. The SEC’s settlement with HP was premised upon similar violations.⁹ The DOJ only charged the Russian subsidiary with a violation of the anti-bribery provisions.¹⁰

4. *PetroTiger Ltd.*

Arising out of a voluntary disclosure by PetroTiger Ltd. (“PetroTiger”), a British Virgin Islands oil and gas company with operations in Colombia and offices in New Jersey, its two former co-CEOs and general counsel were charged with violating the FCPA’s anti-

4. *Id.*

5. Press Release, Sec. & Exch. Com’n, SEC Charges Alcoa With FCPA Violations (Jan. 9, 2014), *available at* <http://www.sec.gov/News/PressRelease/Detail/PressRelease/1370540596936#.VHxZLdbSCEs>.

6. Press Release, U.S. Dept. of Justice, Bio-Rad Laboratories Resolves Foreign Corrupt Practices Act Investigation and Agrees to Pay \$14.35 Million Penalty (Nov. 3, 2014), *available at* <http://www.justice.gov/opa/pr/bio-rad-laboratories-resolves-foreign-corrupt-practices-act-investigation-and-agrees-pay-1435>.

7. Press Release, Sec. & Exch. Com’n, SEC Charges California-Based Bio-Rad Laboratories With FCPA Violations (Nov. 3, 2014), *available at* <http://www.sec.gov/News/PressRelease/Detail/PressRelease/1370543347364#.VHssIrbSCEs>.

8. Press Release, U.S. Dept. of Justice, Hewlett Packard Russia Agrees to Plead Guilty to Foreign Bribery (Apr. 9, 2014), *available at* <http://www.justice.gov/opa/pr/hewlett-packard-russia-agrees-plead-guilty-foreign-bribery>.

9. Press Release, Sec. & Exch. Com’n, SEC Charges Hewlett-Packard With FCPA Violations, (Apr. 9, 2014), <http://www.sec.gov/News/PressRelease/Detail/PressRelease/1370541453075#.VHslZdbSCEu>.

10. United States v. ZAO Hewlett-Packard A.O., No. CR-14-201 DLJ (N.D. Cal., Apr. 9, 2014), *available at* <http://www.justice.gov/criminal/fraud/fcpa/cases/hewlett-packard-zao/hp-russia-information.pdf>.

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bribery provisions, defrauding PetroTiger, and laundering the proceeds of crime.¹¹ Payments were made from PetroTiger's U.S. bank account to the official's bank account in Colombia to secure approval from Colombia's state-owned and state-controlled oil company for an oil services contract. All three individuals were also charged with attempting to secure kickbacks at the expense of PetroTiger in connection with PetroTiger's acquisition of another company.

5. *Alstom*

Alstom S.A. (Alstom), a French power and transportation company, pleaded guilty and agreed to pay a \$772,290,000 fine to resolve charges related to violations of the Foreign Corrupt Practices Act (FCPA). The plea agreement cites many factors considered by the Department of Justice (DOJ) in reaching the appropriate resolution, including: Alstom's failure to voluntarily disclose the misconduct even though it was aware of related misconduct at a U.S. subsidiary that previously resolved corruption charges with the DOJ in connection with a power project in Italy; Alstom's refusal to fully cooperate with the Department's investigation for several years; the breadth of the companies' misconduct, which spanned many years, occurred in countries around the globe and in several business lines, and involved sophisticated schemes to bribe high-level government officials; Alstom's lack of an effective compliance and ethics program at the time of the conduct; and Alstom's prior criminal misconduct, including conduct that led to resolutions with various other governments and the World Bank.¹²

6. *Avon*

Avon Products (China) Co. Ltd. (Avon China), the wholly owned subsidiary of New York-based Avon Products Inc. (Avon), pleaded guilty to accounting provisions of the FCPA. Avon entered into a deferred prosecution agreement with the DOJ, admitting its role in a conspiracy to conceal in excess of \$8 million in bribes paid to Chinese government officials. Cumulatively, the Avon entities will pay over \$67 million in criminal penalties and retain a monitor for 18 months.¹³ Avon also settled a related FCPA matter with the U.S. Securities and Exchange Commission (SEC) and will pay an additional \$67,365,013 in disgorgement and prejudgment interest, bringing the total amount of U.S. criminal and regulatory penalties paid by Avon and Avon China to \$135,013,013.

B. SIGNIFICANT RULINGS

In upholding a broad interpretation of what constituted an "instrumentality" under the FCPA's anti-bribery provisions, the U.S. Court of Appeals for the Eleventh Circuit held

11. Press Release, U.S. Dept. of Justice, Foreign Bribery Charges Unsealed Against Former Chief Executive Officers of Oil Services Company (Jan. 6, 2014), *available at* <http://www.justice.gov/opa/pr/2014/May/14-crm-489.html>.

12. Press Release, U.S. Dept. of Justice, Alstom Pleads Guilty and Agrees to Pay \$772 Million Criminal Penalty to Resolve Foreign Bribery Charges (December 22, 2014), *available at* <http://www.justice.gov/opa/pr/alstom-pleads-guilty-and-agrees-pay-772-million-criminal-penalty-resolve-foreign-bribery>

13. Press Release, U.S. Dept. of Justice, Alstom Pleads Guilty and Agrees to Pay \$772 Million Criminal Penalty to Resolve Foreign Bribery Charges (December 22, 2014), *available at* <http://www.justice.gov/opa/pr/alstom-pleads-guilty-and-agrees-pay-772-million-criminal-penalty-resolve-foreign-bribery>

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that the FCPA intended to “reach the type of officials the United States agreed to stop domestic interests from bribing when it ratified the OECD Convention.”¹⁴ As part of its analysis, it looked to the OECD Convention and its commentaries in identifying the factors that would determine whether an entity was an instrumentality of government.

C. NONPROFITS

Employees of International Adoption Guides Inc. (“IAG”), an adoption services provider, were indicted for conspiring to defraud the United States in connection with its adoption services in Ethiopia.¹⁵ The scheme involved submitting fraudulent contracts of adoption to Ethiopian courts, submitting fraudulently procured adoption decrees to U.S. officials, creating counterfeit U.S. immigration forms, and paying bribes to Ethiopian officials. No substantive violations of the FCPA or any other law were charged.

D. TRAVEL ACT

Emanating from actions taken by a complex series of transactions by a number of entities associated with an international conglomerate, six foreign nationals were charged with participating in an international racketeering conspiracy involving bribes of government officials in India to allow the mining of titanium minerals.¹⁶ The separate charges included conspiracy to violate the Travel Act,¹⁷ the FCPA, and U.S. money laundering laws and two substantive Travel Act violations.

E. OPINION PROCEDURE RELEASES

In a late 2013 opinion procedure release involving a partner of a U.S. law firm handling arbitrations for a foreign country, his payment for the medical expenses for the daughter of an official of the foreign agency that retained the law firm was permitted.¹⁸ The recusal practices involving the official and the law firm and the express permission of the official’s agency were critical to the DOJ’s analysis. Similarly, in the first opinion procedure release for 2014,¹⁹ an extensive recusal regime and an independent mechanism for establishing the value of the buyout were critical to a U.S. issuer being permitted to acquire the minority interest of its majority-owned foreign company from a businessman who was to be appointed to a senior government position in that country.

In the other 2014 opinion procedure release, a foreign acquisition by a United States issuer did not lead to successor liability, despite evidence of questionable payments and

14. *United States v. Esquenazi*, 752 F.3d 912, 925 (11th Cir. 2014).

15. Indictment, *United States v. Harding*, No. 9-14-cr-00054-SB (D.S.C., Jan. 21, 2014).

16. Press Release, U.S. Dept. of Justice, Six Defendants Indicted in Alleged Conspiracy to Bribe Government Officials in India to Mine Titanium Minerals (Apr. 2, 2014), *available at* <http://www.justice.gov/opa/pr/six-defendants-indicted-alleged-conspiracy-bribe-government-officials-india-mine-titanium>.

17. 18 U.S.C. § 1952 (2013).

18. Opinion Procedure Release 13-01, U.S. Dep’t of Justice (Dec. 19, 2013), *available at* <http://www.justice.gov/criminal/fraud/fcpa/opinion/2013/13-01.pdf>.

19. Opinion Procedure Release 14-02, U.S. Dep’t of Justice (Mar. 17, 2014), *available at* <http://www.justice.gov/criminal/fraud/fcpa/opinion/2014/14-01.pdf>.

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inadequate controls disclosed in pre-acquisition due diligence.²⁰ The critical factor was the absence of a jurisdictional basis for a violation at the time the questionable payments were made.

F. PURSUING THE PROCEEDS OF CORRUPTION

As part of the largest forfeiture action ever brought under the Kleptocracy Asset Recovery Initiative, the DOJ froze corruption proceeds hidden in bank accounts around the world by former Nigerian dictator Sani Abacha and his cohorts.²¹ The civil forfeiture complaint seeks more than \$550 million, including from bank accounts and investment portfolios in the Bailiwick of Jersey, France, and the United Kingdom. In another matter stemming from the Initiative, formal action was also taken to forfeit the assets traceable to Chun Doo Hwan, the former president of the Republic of Korea.²²

As part of an unrelated initiative, Alfonso Portillo, the former President of Guatemala was fined and sentenced to over five years of imprisonment for taking bribes from Taiwan in exchange for promising that Guatemala would continue to recognize Taiwan diplomatically.²³ Though the offense took place between 2000 and 2004, Portillo was extradited to the United States in 2013 and pleaded guilty to attempting to launder the illegal money through U.S. banks.

II. Enforcement Actions Abroad

A. CASES

1. *Austria*

On October 3, 2014, the regional criminal court for Vienna found two executives of Oesterreiche Banknoten und Sicherheitsdruck GmbH ("OeBS"), the Austrian central bank's banknote-printing arm, guilty of having bribed Syrian and Azeri officials to obtain contracts for OeBS.²⁴ Johannes Miller and Michael Wolf each received a two-year suspended sentence for funneling bribes totaling approximately \$14 million to the officials.

20. Opinion Procedure Release 14-02, U.S. Dep't of Justice (Nov. 7, 2014), *available at* <http://www.justice.gov/criminal/fraud/fcpa/opinion/2014/14-02.pdf>.

21. Press Release, U.S. Dept. of Justice, U.S. Freezes More Than \$458 Million Stolen by Former Nigerian Dictator in Largest Kleptocracy Forfeiture Action Ever Brought in the U.S. (Mar. 5, 2014), *available at* <http://www.justice.gov/opa/pr/us-freezes-more-458-million-stolen-former-nigerian-dictator-largest-kleptocracy-forfeiture>.

22. Press Release, U.S. Dept. of Justice, Justice Department Seizes an Additional \$500,000 in Corrupt Assets Tied to Former President of Republic of Korea, (Sept. 3, 2014), *available at* <http://www.justice.gov/opa/pr/justice-department-seizes-additional-500000-corrupt-assets-tied-former-president-republic>.

23. Press Release, U.S. Attorney's Office, S.D.N.Y., Former President Of Guatemala, Alfonso Portillo, Sentenced In Manhattan Federal Court For Laundering Millions Of Dollars Through United States Banks (May 22, 2014), *available at* <http://www.justice.gov/usao/nys/pressreleases/May14/PortilloSentencingPR.php>.

24. See *Austria Banknote Unit's Ex-Managers Guilty in Kickback Scandal*, BLOOMBERG BUSINESS (Oct. 3, 2014), <http://www.bloomberg.com/news/articles/2014-10-03/austria-banknote-unit-s-ex-managers-guilty-in-kickbacks-scandal>

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2. *Canada*

On May 23, 2014, an Ottawa court sentenced Nazir Karigar to three years in prison for his role in a corruption case involving Canadian company CryptoMetrics.²⁵ Karigar was the first individual to be convicted under Canada's recently amended Foreign Public Officials Act ("CFPOA").²⁶

3. *China*

China's Central Commission for Discipline Inspection of the Communist Party of China announced in November 2014²⁷ that it had concluded an investigation of two FAW-Volkswagen Automotive Co Ltd executives for corruption. Subsequently FAW-Volkswagen severed business ties with more than a dozen vendors, all of whom were involved in advertising and public relations for the company.²⁸

On August 8, 2014, a court in Shanghai found two former investigators guilty of stealing and selling personal information. The investigators, Briton Peter Humphrey and his American-national wife, Yu Yingzeng, worked as vendors to multinational pharmaceutical company GlaxoSmithKline ("GSK") in China and were caught up in a larger corruption investigation launched by Chinese authorities against GSK.²⁹ Humphrey was sentenced to two and a half years in prison. His wife was sentenced to two years, and both were fined.³⁰ The same court found GSK guilty of bribing hundreds of doctors and state hospital personnel over a period of years. GSK was fined \$490 million and its former chief executive of the China division, Mark Reilly (another British national), was given a suspended three-year prison sentence.

4. *Cuba*

Canadian businessman Cy Tokmakjian was sentenced in October 2014 by a Cuban court to fifteen years in prison for bribing Cuban officials.³¹ The Cuban government seized US \$100 million dollars in assets belonging to his sugar industry company, Tokmakjian Group. Tokmakjian was found guilty of bribery as well as trafficking in Cuban currency, tax evasion, and fraud.³²

25. *R. v. Karigar*, 2014 ONSC 3093 (Can. Ont. Sup. Ct. J.), available at <http://canlii.ca/t/g6zz0>.

26. Corruption of Foreign Public Officials Act, S.C. 1998, c. 34 (Can.), available at <http://laws-lois.justice.gc.ca/eng/acts/C-45-2/page-1.html>; for discussion of amendments, see Benton et. al, *supra* note 5.

27. CENTRAL COMMISSION FOR DISCIPLINE INSPECTION DEPARTMENT, www.12388.gov.cn (last visited Mar. 15, 2015).

28. Yang Jian, *FAW bribe scandal should be wake-up call for Beijing*, AUTOMOTIVE NEWS EUROPE (November 28, 2014), <http://europe.autonews.com/article/20141128/BLOG15/141129866/faw-bribe-scandal-should-be-wake-up-call-for-beijing>.

29. *GSK-linked investigators confessed to trafficking personal data*, XINGHUANET (Aug. 9, 2014), http://news.xinhuanet.com/english/china/2014-08/09/c_133544162.htm.

30. *Id.*

31. Daniel Trotta, *Gifts for Cubans end in 15-year sentence for Canadian CEO*, REUTERS (October 3, 2014), <http://www.trust.org/item/20141003110022-3ee3r/?source=fiHeadlineStory>.

32. *Id.*

5. *Germany*

On May 9, 2014, the German *Bundesgerichtshof* ruled that, in instances where a payment of bribes has influenced a purchase agreement between two commercial entities, the purchase agreement can be invalidated.³³ It further reasoned that claims for compensation were valid under the increased liability for unjust enrichment.³⁴

In August 2014, a German court halted the trial of Formula 1 executive Bernie Ecclestone. German state prosecutors dropped criminal charges pending against Ecclestone in return for a payment of a \$100 million fine.³⁵ Ecclestone had been accused of bribing a former German banker related to the sale of a majority interest in Formula 1 nearly a decade ago. The payment represents the largest sum ever paid in Germany for a criminal trial of this nature.³⁶

6. *Greece*

Rheinmetall Defence Electronics GmbH (RDE), a Bremen-based subsidiary of Rheinmetall AG, a German defense conglomerate, agreed to pay a €37 million (\$46 million) fine to end a criminal investigation of suspected bribery payments by a company representative in connection with arms deals in Greece.³⁷

7. *Hong Kong*

On August 5, 2014, Luk Kin Peter Joseph, chief executive of Brockman Mining, a listed company in Australia, was convicted of bribery by the District Court of Hong Kong Special Administrative Region.³⁸ The conviction resulted in Mr. Luk's immediate resignation from the company.³⁹

8. *Italy*

On October 9, 2014, an Italian court cleared two former executives of Finmeccanica of corruption but found them guilty of lesser charges for falsifying invoices. The two were given suspended sentences of two years' jail time. The case arose out of charges of bribes

33. BUNDESGERICHTSHOF [BGH] [FEDERAL COURT OF JUSTICE] May 9, 2014, Urteil des V. Zivilsenats vom 9.5.2014-V ZR 305/12 (Germany), available at <http://juris.bundesgerichtshof.de/cgi-bin/rechtsprechung/document.py?Gericht=bgh&Art=en&Datum=2014&Seite=45&nr=68078&pos=1366&anz=2538>.

34. BÜRGERLICHES GESETZBUCH [BGB] [CIVIL CODE], Jan. 2, 2002, BUNDESGESETZBLATT [BGBL. I], §§ 812(1), 818(4), 819(1), 285(1) [Germany], available at http://www.gesetze-im-internet.de/englisch_bgb/.

35. Geir Moulson, *Formula One: How The Ecclestone Bribery Charges Deal Went Down*, ASSOCIATED PRESS (August 7, 2014), <http://www.theglobeandmail.com/globe-drive/news/motorsports/formula-one-how-the-ecclestone-bribery-charges-deal-went-down/article19929380/>.

36. *Id.*

37. Ioanna Zikakou, *Rheinmetall Fined for Greek Armament Deals*, GREEK REPORTER (December 11, 2014) <http://greece.greekreporter.com/2014/12/11/rheinmetall-fined-for-greek-armament-deals/>.

38. *Hong Kong Special Administrative Region v. Luk Kin Peter Joseph*, DCC 851/2013 (D.C. Aug. 5, 2014) (Legal Reference System) (H.K.).

39. Brockman Mining, Announcement (1) Pursuant to Rule 13.09(1) and Rule 13.51B(2) of the Listing Rules and (2) Resignation of Executive Director and Chief Executive Officer (August 5, 2014), available at <http://www.brockmanmining.com/media/E1407204%20Ann%20final.pdf>.

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paid to Indian defense officials relating to the sale of helicopters. India's investigation continues.⁴⁰

In March, 2014, the Treasury department of the Italian government issued a letter to numerous state-owned companies (SOEs) instructing them to remove from their boards any director charged of financial crimes, including bribery.⁴¹ It also stated that managers who have been indicted for crimes against the public administration or financial crimes should be barred from sitting on the board of state-owned companies even before a first guilty verdict.⁴²

9. *Japan*

On July 15, 2014, a Tokyo district court imposed a suspended sentence on former Deutsche Bank AG ("DBK") salesman Shigeru Echigo as punishment for bribing former Japanese pension-fund executive Yutaka Tsurisawa, who, under Japanese law, was considered a civil servant.⁴³ Tsurisawa was convicted of accepting bribes from Echigo in June 2014 and was given an eighteen-month suspended prison sentence and ordered to make restitution.⁴⁴ Echigo was given a three-year suspended ten -month prison sentence.⁴⁵ During the trial, Echigo protested that he was only following orders and that the bank's culture promoted bribery. Following on the conviction of Tsurisawa, Japan's Financial Services Agency ordered compliance improvements at Deutsche Bank's Japanese securities unit.

10. *Multilateral Investment Banks*

In total, the World Bank debarred and cross-debarred 101 individuals and firms in 2014.⁴⁶

On March 21, 2014, the African Development Bank ("AfDB") stated that it had reached Negotiated Resolution Agreements with Kellogg Brown & Root LLC, Technip S.A., and JGC Corp. following the companies' admission of corrupt practices by affiliated companies in bank-financed projects in Nigeria. The companies will pay fines of US \$6.5 million, US \$5.3 million and US \$5.2 million, respectively.⁴⁷

40. Emilio Parodi, *Finmeccanica Looks to Rebuild India Ties After Former Head Convicted*, REUTERS (October 9, 2014), <http://in.reuters.com/article/2014/10/09/finmeccanica-india-idINKCN0HY14Y20141009>.

41. *Italy seeks to clean up boards of state-controlled companies*, REUTERS (March 27, 2014), <http://www.reuters.com/article/2014/03/27/italy-companies-reform-idUSL5N0MO3M220140327>.

42. *Id.*

43. *To Those Who Operate Fund Related Businesses in Japan*, FINANCIAL SERVICES AGENCY, (Nov. 19, 2007), <http://www.fsa.go.jp/en/news/2007/20071119.html#main>.

44. Richard L. Cassin, *Judge Suspends Prison Sentence for Deutsche Bank Salesman in Japan Bribe Case*, THE FCPA BLOG (July 18, 2014), <http://www.fcpablog.com/blog/2014/7/18/judge-suspends-prison-sentence-for-deutsche-bank-salesman-in.html#>.

45. *Id.*

46. *See World Bank Listing of Ineligible Firms & Individuals*, WORLD BANK, <http://web.worldbank.org/external/default/main?theSitePK=84266&contentMDK=64069844&menuPK=116730&pagePK=64148989&piPK=64148984> (last visited Mar. 10, 2015).

47. Press Release, African Development Bank, AfDB Levies US \$17 Million in Financial Penalties in Corruption Case (March 21, 2014), *available at* <http://www.afdb.org/en/news-and-events/article/afdb-levies-us-17-million-in-financial-penalties-in-corruption-case-12923/>.

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On May 28, 2014, the AfDB reached a Negotiated Resolution Agreement with Snamprogetti Netherlands B.V. ("Snamprogetti") related to the company's corrupt acts in Nigeria between 1995-2004 with respect to AfDB-funded projects. Snamprogetti agreed to pay US \$5.7 million to the AfDB.⁴⁸

11. *Netherlands*

On November 12, 2014, it was announced that Dutch-domiciled SBM Offshore NV (SBM) would pay \$193 million in fines to the Dutch prosecutor's office to settle a bribery investigation.⁴⁹ The investigation focused on allegations that sales agents for SBM had made improper payments to government officials in Angola, Brazil, and Equatorial Guinea between 2007 and 2011. The U.S. DOJ agreed to close its parallel investigation although authorities in Brazil indicated that they would continue their inquiries into the company's activities in that country.⁵⁰

12. *Norway*

The National Authority for Investigation and Prosecution of Economic and Environmental Crime announced on January 15, 2014, that it had found global fertilizer firm Yara International ASA ("Yara") guilty of bribery and fined the company 295 million kroner (\$48 million) for corruption involving deals the company made in Libya, Russia, and India.⁵¹ Yara admitted that between 2004 and 2009, it had paid bribes totaling more than 70 million kroner (\$12 million). Three former senior executives of Yara were also indicted.⁵²

13. *Oman*

On February 27, 2014, the Oman Court of First Instance in Muscat sentenced Ahmad al-Wahaibi, the CEO of state-owned Oman Oil Company, to a prison term of twenty-three years. His former aide, Adel al-Raisi, was sentenced to ten years. Both were convicted of accepting bribes, money laundering, and abuse of office. Korean national Myung Jao Yoo, CEO of Korea-based company LGI, paid US \$8 million in bribes to Wahaibi and al-Raisi.⁵³ Yoo was sentenced to ten years in prison.⁵⁴

48. Press Release, African Development Bank, AfDB charges Snamprogetti Netherlands B.V. US \$5.7 million in monetary sanction for corrupt practices (May 28, 2014), *available at* <http://www.afdb.org/en/news-and-events/article/afdb-charges-snamprogetti-netherlands-b-v-us-5-7-million-in-monetary-sanction-for-corrupt-practices-13233/>.

49. *Dutch SBM Offshore sticks to outlook after settlement*, REUTERS, (November 13, 2014), <http://in.reuters.com/article/2014/11/13/sbm-offshore-results-idINL6N0T30OK20141113>.

50. Fred Pals, *SBM Pays \$240 Million to Settle Case With Dutch Prosecutor*, BLOOMBERG NEWS (November 12, 2014), <http://www.businessweek.com/news/2014-11-12/sbm-pays-240-million-to-settle-case-with-dutch-prosecutor>.

51. Press Release, Økokrim [National Authority for Investigation and Prosecution of Economic and Environmental Crime], Forelegg til Yara på 295 millioner krone [Yara fined \$295 million kroner] (January 15, 2014), *available at* <http://www.okokrim.no/artikler/www-9fdaqu>.

52. Press Release, Økokrim [National Authority for Investigation and Prosecution of Economic and Environmental Crime], Fire tidligere ledere tiltalt i Yara-saken [Four Former Executives Indicted in Yara Case], (January 17, 2014), *available at* <http://www.okokrim.no/artikler/www-9ffe3v>.

53. *Omani CEO jailed for 23 Years in Graft Case: Court*, REUTERS (February 27, 2014), <http://www.reuters.com/article/2014/02/27/us-oman-corruption-sentences-idUSBREA1Q1OW20140227>.

54. *Id.*

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On March 3, 2014, the Court of First Instance in Muscat sentenced Egyptian nationals Fatihi Alaadeen and Rizq Mustafa, executives with Consolidated Contractors Company (“Consolidated”) to three years in jail and imposed fines of OMR500,000 and OMR300,000 respectively.⁵⁵ Convicted alongside them were two Omani government officials who were sentenced to three years in prison, fined, and banned from holding government office for thirty years.⁵⁶

On March 9, 2014, an Omani court sentenced Indian national Mohammed Ali, the former managing director of Galfar Engineering and Contracting, with respect to five counts of bribery in exchange for contracts from state-owned enterprise Petroleum Development Oman (“PDO”). Only two months prior, Ali had been sentenced to three years in prison over different bribes made to PDO. Ali was also fined 1.774 million rials (\$4.61 million).⁵⁷

More than twenty civil servants and businessmen have gone on trial in Oman since last year; several of these individuals have been foreign nationals.⁵⁸

14. *Poland*

On October 10, 2014, the Polish Centralne Biuro Antykorupcyjne⁵⁹ convicted a Poland-based executive of Swiss pharmaceutical company Novartis of bribery.⁶⁰

15. *Switzerland*

On October 1, 2014, the Swiss Federal Crime Court accepted a negotiated plea deal between Riadh Ben Aissa, a former Canada-based SNC-Lavalin executive, and the Swiss Attorney General’s office.⁶¹ Aissa was accused of fraud, corruption, and money laundering. He pleaded guilty in exchange for a reduced sentence and will serve twenty-nine months in jail. He has been ordered to pay millions in restitution to SNC-Lavalin. Aissa is likely to be extradited to Canada to stand trial for fraud now that the Swiss plea deal has been concluded.⁶²

16. *United Kingdom*

On July 22, 2014, Australian Bruce Hall, former CEO of state-owned Bahraini company, Aluminum Bahrain B.S.C. (“Alba”) was sentenced to sixteen months in prison for conspir-

55. *Oman Hands Down More Sentences in Oil Corruption Case*, GULF NEWS (March 3, 2014), <http://gulfnews.com/news/gulf/oman/oman-hands-down-more-sentences-in-oil-corruption-case-1.1298303>.

56. *Id.*

57. *Oman Court Jails Businessman to 15 Years Over Bribes*, REUTERS (March 9, 2014), <http://www.reuters.com/article/2014/03/09/oman-corruption-sentences-idUSL6N0M60E520140309>.

58. *Id.*

59. CENTRALNE BIURO ANTYKORUPCYJNE [CENTRAL ANTI-CORRUPTION BUREAU], <http://www.cba.gov.pl/en?dzial=> (last visited Mar. 10, 2015).

60. *Novartis Employee Pleaded Guilty in Polish Bribery Case*, REUTERS (October 10, 2014), <http://www.reuters.com/article/2014/10/09/pharmaceuticals-poland-corruption-novart-idUSL6N0S43RZ20141009>.

61. *Former SNC Executive Pleads Guilty in Switzerland*, THE STAR (October 1, 2014), http://www.thestar.com/business/2014/10/01/former_snc_executive_pleads_guilty_in_switzerland.html.

62. Allan Woods, *Former SNC-Lavalin Executive Strikes Plea Deal With Swiss Authorities*, THE STAR (August 18, 2014), http://www.thestar.com/news/canada/2014/08/18/former_snc_lavalin_executive_strikes_plea_deal_with_swiss_authorities.html.

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acy to corrupt.⁶³ Hall was ordered to pay a confiscation order of £3,070,106.03 in seven days or face serving an additional term of imprisonment of ten years.⁶⁴

On August 4, 2014, the Serious Fraud Office announced the sentencing of three British nationals and one Greek national⁶⁵ (Dennis Kerrison, Paul Jennings, David Turner and Miltiades Papachristos) for their roles in bribing state officials in Indonesia and Iraq on behalf of Innospec. Kerrison, Jennings, and Papachristos all received prison terms; Turner received a suspended sentence.⁶⁶ Innospec itself pleaded guilty in March 2010 to bribing state officials in Indonesia and was fined \$12.7 million.⁶⁷ In February 2014, the SFO was granted the power to enter into deferred prosecution agreements with companies charged with bribery.⁶⁸

On December 22, 2014, Smith and Ouzman Ltd and two employees were convicted of bribery of foreign officials,⁶⁹ the first trial convictions for the SFO. Christopher J. Smith, chairman of the company, and Nicholas C. Smith, its sales and marketing director, were convicted of “corruptly agreeing to make payments.” The two had made over £395,000 in corrupt payments to win contracts in Kenya and Mauritania.⁷⁰

Scotland based International Tubular Services Limited (ITS), which supports activities for petroleum and natural gas extraction disgorged £172,200, the total of profit it earned under a contract secured via bribery. ITS self-reported and agreed to the disgorgement not under the UKBA but under the UK’s Proceeds of Crime Act.⁷¹

B. ANTI-CORRUPTION LEGISLATION AND INITIATIVES

1. Australia

On February 18, 2014, the Australian Securities & Investments Commission issued guidance on its approach to dealing with whistleblowers and whistleblower reports.⁷² Only

63. See Press Release, Serious Fraud Office, Bruce Hall Sentenced to 16 Months in Prison (July 22, 2014) available at <http://www.sfo.gov.uk/press-room/latest-press-releases/press-releases-2014/bruce-hall-sentenced-to-16-months-in-prison.aspx>.

64. *Id.*

65. Press Release, Serious Fraud Office, Four Sentenced for Role in Innospec Corruption (August 4, 2014) available at <http://www.sfo.gov.uk/press-room/latest-press-releases/press-releases-2014/four-sentenced-for-role-in-innospec-corruption.aspx>.

66. *Id.*

67. Press Release, Serious Fraud Office, Innospec Judgment (March 26, 2014), available at <http://www.sfo.gov.uk/press-room/press-release-archive/press-releases-2010/innospec-judgment.aspx>.

68. Press Release, Serious Fraud Office, Deferred Prosecution Agreements: New Guidance for Prosecutors (February 14, 2014) available at <http://www.sfo.gov.uk/press-room/latest-press-releases/press-releases-2014/deferred-prosecution-agreements-new-guidance-for-prosecutors.aspx>.

69. Prevention Corruption Act, 1906, 6 Edw.7, c.34 (Eng.).

70. Press Release, Serious Fraud Office, U.K. printing company and two men found guilty in corruption trial (December 22, 2014) available at <http://www.sfo.gov.uk/press-room/latest-press-releases/press-releases-2014/uk-printing-company-and-two-men-found-guilty-in-corruption-trial.aspx>.

71. Press Release, Crown Office & Procurator Fiscal Service, Aberdeen company pays over £170,000 after admitting bribery and corruption in Kazakhstan, (December 18, 2014), available at <http://www.copfs.gov.uk/media-site/media-releases/935-aberdeen-company-pays-over-170-000-after-admitting-bribery-and-corruption-in-kazakhstan>.

72. *Whistleblowers and Whistleblower Protection*, AUSTRALIAN SECURITIES & INVESTMENTS COMMISSION (February 18, 2014), <http://www.asic.gov.au/for-business/running-a-company/company-officeholder-duties/whistleblowers-company-officeholder-obligations/whistleblowers-and-whistleblower-protection/>.

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officers and employees of the company about whom the disclosure is made, and the company's current contractors (including employees thereof) qualify as whistleblowers. The person making the report to ASIC must have reasonable grounds to suspect that the company in question or one of its officers has breached the Corporations Act.⁷³

2. Canada

In March 2014, the Canadian federal government promulgated new rules under the existing "integrity framework."⁷⁴ The expanded rules now require companies seeking to do business with the federal government to disclose if they have been found to have violated anti-corruption laws as well as those involving fraud. Companies debarred in other jurisdictions would also be precluded from bidding on Canadian government tenders for a period of ten years.⁷⁵

3. China

On November 3, 2014, China's legislature issued draft amendments⁷⁶ to China's Criminal Code, strengthening penalties for corruption and bribery. The amendments include lowering the exemptions from prosecution; making the offering of bribes to relatives of government officials a crime; adding a provision for monetary fines for corruption-related crimes; broadening sentencing criteria standards and imposing employment bans on those convicted of corruption crimes.⁷⁷ In March of 2015, China's legislature announced that improvements and advances to national anti-corruption law would be developed "as quickly as possible."⁷⁸

4. European Union

On April 15, 2014, the European Parliament passed a new law making it mandatory for companies with more than 500 employees to disclose, in annual-report form, information on their compliance with anti-corruption laws, human rights, and certain other social responsibility issues.⁷⁹

5. India

Effective January 1, landmark Indian legislation aimed at combating corruption by creating an anti-graft ombudsman with broad powers to prosecute all offending politicians,

73. *Australian Securities and Investments Commission Act 2001* (Austl.).

74. *Integrity Framework*, PUBLIC WORKS AND GOVERNMENT SERVICES CANADA (PWGSC), available at <http://www.tpsgc-pwgsc.gc.ca/ci-if/ci-if-eng.html> (last visited Mar. 10, 2015).

75. *Id.*

76. *Draft Criminal Law Ninth Amendment Provisions*, THE NATIONAL PEOPLE'S CONGRESS OF THE PEOPLE'S REPUBLIC OF CHINA (Nov. 3, 2014), http://www.npc.gov.cn/npc/xinwen/lfgz/flca/2014-11/03/content_1885029.htm.

77. *Id.*

78. *China to Speed Up Drafting Anti-Corruption Law*, THE NATIONAL PEOPLE'S CONGRESS OF THE PEOPLE'S REPUBLIC OF CHINA (Mar. 9, 2015), http://www.npc.gov.cn/englishnpc/Special_12_3/2015-03/09/content_1917309.htm.

79. *See Non-Financial Reporting*, EUROPEAN COMMISSION BANKING AND FINANCE, http://ec.europa.eu/finance/accounting/non-financial_reporting/index_en.htm (last visited Mar. 10, 2015).

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ministers, and senior civil servants, came into effect.⁸⁰ The new laws amend the Prevention of Corruption Act.⁸¹

6. *Ireland*

On July 8, 2014, a comprehensive whistleblower protection law went into effect in Ireland.⁸² The Protected Disclosures Act 2014 provides legal protections for all employees, contractors, agency workers, and members of the police and the military who report concerns about fraud or corruption in private, public, or non-profit entities.⁸³

7. *Multilateral Investment Banks*

In May 12, 2014, Ukraine signed an anti-corruption pact with the European Bank for Reconstruction and Development.⁸⁴ The pact will establish an independent and independently-funded Business Ombudsman Institution. The Institution will be the first point of contact for companies seeking redress against corrupt practices in the country.⁸⁵

8. *United Kingdom*

In order to comply with certain European Union accounting rules, the UK government published draft legislation⁸⁶ requiring all extraction-related and logging companies to disclose⁸⁷ any payments made to governments in countries where they operate. UK-registered companies will have up to eleven months after the end of their financial year to report payments under the new rule.⁸⁸

In February 2014, the SFO was granted the power to enter into deferred prosecution agreements with companies charged with bribery.⁸⁹

80. The Prevention of Corruption Act, No. 49 of 1988, INDIA CODE (1988).

81. The Lokpal and Lokayuktas Bill, 2013, signed into law January 1, 2014, *available at* http://www.prsindia.org/uploads/media/Lok%20Pal%20Bill%202011/Lokpal_Bill_as_passed_by_both_Houses.pdf

82. Protected Disclosures Act 2014 (Act No. 14/2014) (Ir.), *available at* <http://www.irishstatutebook.ie/2014/en/act/pub/0014/>.

83. *Id.*

84. European Bank for Reconstruction and Development, *Memorandum of Understanding for the Ukrainian Anti-Corruption Initiative*, (May 12, 2014)

85. Press Release, European Bank for Reconstruction and Development, Ukraine and EBRD Launch Initiative to Combat Corruption (May 12, 2014), *available at* <http://www.ebrd.com/news/2014/ukraine-and-ebrd-launch-initiative-to-combat-corruption.html>.

86. REPORTS ON PAYMENTS TO GOVERNMENT REGULATIONS (2014) [United Kingdom], *available at* https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/346331/bis-14-1019-draft-statutory-instrument-reports-on-payments-to-governments-regulations-2014.pdf.

87. Goes into effect January 1, 2015.

88. *Consultation Outcome*, GOV.UK (Mar. 28, 2014), <https://www.gov.uk/government/consultations/extratives-industries-reporting-implementing-the-eu-accounting-directive>.

89. Press Release, Serious Fraud Office, Deferred Prosecution Agreements: new guidance for prosecutors (February 14, 2014), *available at* <http://www.sfo.gov.uk/press-room/latest-press-releases/press-releases-2014/deferred-prosecution-agreements-new-guidance-for-prosecutors.aspx>.

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III. Treaties and International Organizations

A. INTERNATIONAL CONVENTIONS

The eleven-year-old United Nations Convention Against Corruption (“UNCAC”)⁹⁰ added four new members in 2014—Germany, Oman, State of Palestine, and Sudan—and now has 173 state parties.⁹¹ Germany’s ratification came eleven years after its signature of the Convention, delayed by the lack of legislation punishing members of parliament for bribery, which is a requirement for ratification.⁹² There are only twenty-one countries remaining that have not ratified UNCAC, including Japan and New Zealand.

In 2014, the UNCAC Implementation Review Group adopted country reviews for Argentina, Austria, Botswana, Canada, El Salvador, Iran, Italy, Jamaica, Latvia, Netherlands, Nigeria, Norway, Philippines, Republic of Korea, Serbia, Solomon Islands, Sweden, Tanzania, Trinidad & Tobago, and Vanuatu (in June)⁹³ and Colombia, Dominica, Malta, Netherlands, Paraguay, Poland, Sweden, and Uruguay (in October).⁹⁴ A total of sixty-eight country reviews have been completed to date. Key findings from those reviews were used to prepare thematic and regional overviews of the implementation of Chapters III (Criminalization and Law Enforcement) and IV (International Cooperation) of the Convention.⁹⁵

Efforts under the Inter-American Convention against Corruption⁹⁶ also concentrated on reviewing member countries’ implementation of the Convention. At its Twenty-Third and Twenty-Fourth meetings, held in March and September 2014 respectively, the Committee of Experts of the Follow-up Mechanism for the Implementation of the Inter-American Convention against Corruption (“MESICIC”) adopted its first report on Haiti as well as reports on Belize, Canada, the Dominican Republic, Ecuador, Guyana, Jamaica, Nicaragua, Saint Vincent and the Grenadines, and Suriname.⁹⁷ The MESICIC continues its project, the Responsibility of the Private Sector in Preventing and Combating Corruption, and plans to adopt a set of guidelines on the basic principles or fundamental rules that could be incorporated in domestic legislation in order to promote, strengthen and ensure accountability of this sector in the fight against corruption.⁹⁸

90. Convention Against Corruption, G.A. Res. 58/4, U.N. Doc. A/RES/58/4 (Oct. 31, 2003).

91. UNCAC Signatories and Ratification Status as of 12 November 2014, UNODC, <http://www.unodc.org/unodc/en/treaties/CAC/signatories.html> (last visited Nov. 18, 2014).

92. Press Release, Transparency International, 11 Years After Signing, German Parliament Approves Global Corruption Agreement (Sept. 25, 2014), http://www.transparency.org/news/pressrelease/11_years_after_signing_german_parliament_approves_global_corruption_agreement.

93. *Implementation Review Group of the U.N. Convention against Corruption, Third Session*, UNODC, <http://www.unodc.org/unodc/en/treaties/CAC/IRG-session5.html> (last visited Mar. 15, 2015).

94. *Implementation Review Group of the U.N. Convention against Corruption, Resumed Fifth Session*, UNODC, <http://www.unodc.org/unodc/en/treaties/CAC/IRG-session5-resumed.html> (last visited Mar. 15, 2015).

95. See *supra* note. 86.

96. Inter-American Convention Against Corruption, Mar. 29, 1996, 35 I.L.M. 727, available at http://www.oas.org/juridico/english/corr_bg.htm.

97. Organization of American States, *Country Reports*, DEPARTMENT OF LEGAL COOPERATION, http://www.oas.org/juridico/english/mesicic4_rep.htm (last visited Mar. 10, 2015).

98. Organization of American States, *OAS Anti-Corruption Mechanism to Hold XXIV Meeting*, DEPARTMENT OF LEGAL COOPERATION, http://www.oas.org/juridico/newsletter/nl_en_183.htm (last visited Mar. 10, 2015).

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The Organization for Economic Co-Operation and Development Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (“OECD” Convention)⁹⁹ added its 41st member, Latvia, in May 2014.¹⁰⁰ The OECD Working Group on Bribery in International Business Transactions conducted peer reviews and adopted Phase 3 reports on Brazil, Chile, Estonia, Slovenia, South Africa, and Turkey.¹⁰¹ It has also updated its Compilation of Recommendations Made in the Phase 3 Reports.¹⁰²

The Council of Europe’s Group of States against Corruption (“GRECO”), the group that monitors implementation of the Council of Europe’s Criminal Law Convention on Corruption, published fourth evaluation round reports, which focus on prevention of corruption by members of parliament, judges, and prosecutors, for Albania, Belgium, Croatia, Denmark, Ireland, Norway, and the Slovak Republic.¹⁰³ Third Evaluation Round Compliance Reports, concentrating on transparency in the funding of political parties and electoral campaigns were completed for Italy, Monaco, and the Russian Federation.¹⁰⁴ Bulgaria, Macedonia, Serbia, and Turkey were evaluated in the second round,¹⁰⁵ and Belarus received the Joint First and Second Evaluation Rounds Report.¹⁰⁶

In its 2014 annual report,¹⁰⁷ GRECO expressed concern about the little progress made by a significant number of European countries in implementing its recommendations on transparency of political funding, due in part to the political sensitivity of party and campaign funding, and to the fact that, by evaluating states in this field, GRECO’s monitoring has extended to areas beyond direct governmental control and under the influence of political parties and parliaments themselves.¹⁰⁸

99. *OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions*, OECD, <http://www.oecd.org/daf/anti-bribery/oecdantibriberyconvention.htm> (last visited Mar. 10, 2015).

100. *OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions: Ratification Status as of 21 May 2014*, OECD, <http://www.oecd.org/daf/anti-bribery/WGBRatificationStatus.pdf> (last visited Mar. 10, 2015).

101. *Country Reports on the Implementation of the OECD Anti-Bribery Convention*, OECD, <http://www.oecd.org/daf/anti-bribery/countryreportsontheimplementationoftheoecdanti-briberyconvention.htm> (last visited Mar. 10, 2015).

102. Working Group on Bribery in International Business Transactions, *Compilation of Recommendations Made in the Phase 3 Reports. Implementation and Application of the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions and the 2009 Recommendations on Further Combating Bribery*, last update June 2014, available at <http://www.oecd.org/corruption/anti-bribery/CompilationofRecommendationsP3ReportsEN.pdf>.

103. GRECO, *Fourth Evaluation Round, Evaluation and Compliance Reports*, COUNCIL OF EUROPE, http://www.coe.int/t/dghl/monitoring/greco/evaluations/round4/ReportsRound4_en.asp (last visited Mar. 10, 2015).

104. GRECO, *Third Evaluation Round, Evaluation and Compliance Reports*, COUNCIL OF EUROPE, http://www.coe.int/t/dghl/monitoring/greco/evaluations/round3/ReportsRound3_en.asp (last visited Mar. 10, 2015).

105. GRECO, *Second Evaluation Round, Evaluation and Compliance Reports*, COUNCIL OF EUROPE, [http://www.coe.int/t/dghl/monitoring/greco/evaluations/round2/reports\(round2\)_en.asp](http://www.coe.int/t/dghl/monitoring/greco/evaluations/round2/reports(round2)_en.asp) (last visited Mar. 10, 2015).

106. *Id.*

107. *14th General Activity Report (2013) of the Group of States against Corruption*, COUNCIL OF EUROPE, [http://www.coe.int/t/dghl/monitoring/greco/documents/2014/Greco\(2014\)1_General%20Activity%20Report%202013_EN.pdf](http://www.coe.int/t/dghl/monitoring/greco/documents/2014/Greco(2014)1_General%20Activity%20Report%202013_EN.pdf) (last visited Mar. 10, 2015).

108. Press Release, Group of States Against Corruption, Little Progress on Political Funding Transparency—Council of Europe Anti-Corruption Group Concerned (June 19, 2014), available at [http://www.coe.int/t/dghl/monitoring/greco/news/News\(20140618\)Act.Rep.2013_en.asp](http://www.coe.int/t/dghl/monitoring/greco/news/News(20140618)Act.Rep.2013_en.asp).

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B. INTERNATIONAL ORGANIZATIONS

At the 2014 G20 Summit in November 2014, the leaders of the world's largest economies endorsed the 2015-16 G20 Anti-Corruption Action Plan.¹⁰⁹ G20 efforts will concentrate on building cooperation and networks, including enhancing mutual legal assistance, recovery of the proceeds of corruption, and denial of safe haven to corrupt officials.¹¹⁰ The G20 also reiterated its commitment to improving public and private sector transparency, and the transparency of beneficial ownership by implementing the G20 High-Level Principles on Beneficial Ownership Transparency.¹¹¹

The G20 Anti-Corruption Working Group ("ACWG") held three meetings in 2014. Among ACWG's achievements are the development of the G20 High-Level Principles on Beneficial Ownership Transparency (2014),¹¹² High-Level Principles on Corruption and Growth,¹¹³ and the Compendium of Good Practices for Integrity in Public Procurement.¹¹⁴ ACWG has also secured a commitment by all G20 countries to complete a self-assessment of their domestic foreign bribery frameworks and to provide annual updates to the ACWG on their progress as part of the annual ACWG Accountability Report questionnaire.¹¹⁵

The Arab Forum on Asset Recovery ("AFAR") convened its third meeting in Geneva, Switzerland, in November 2014. Over two hundred fifty delegates from forty governments and jurisdictions and six regional and international organizations agreed on the need to pursue and strengthen international cooperation to support Arab countries in transition with their respective processes of recovering illicit assets. As part of the forum, Austria, British Virgin Islands, Bailiwick of Jersey, Lebanon, and Hong Kong announced the publication of comprehensive asset recovery guides.¹¹⁶

Following the ouster of former Ukrainian President Victor Yanukovich in February 2014, the new government of Ukraine began efforts to recover assets stolen by Yanukovich and his cronies. The Ukraine Forum on Asset Recovery ("UFAR"), with partners from over thirty countries and territories as well several international organizations, was held in London in April 2014. UFAR participants pledged to ensure that technical assistance is on-going and continues to be available to assist Ukraine in its efforts to recover the proceeds of corruption.

In December 2014, the World Bank Group's International Corruption Hunters Alliance ("ICHA") held its Third Biennial Meeting in Washington, D.C. The meeting

109. 2015-16 G20 ANTI-CORRUPTION ACTION PLAN (2014), *available at* https://www.g20.org/sites/default/files/g20_resources/library/2015-16%20_g20_anti-corruption_action_plan_0.pdf.

110. G20 LEADERS' COMMUNIQUE, BRISBANE SUMMIT, (2014), *available at* https://www.g20.org/sites/default/files/g20_resources/library/brisbane_g20_leaders_summit_communique.pdf.

111. *Id.*

112. THE G20 HIGH-LEVEL PRINCIPLES ON BENEFICIAL OWNERSHIP TRANSPARENCY (2014), *available at* https://www.g20.org/sites/default/files/g20_resources/library/g20_high-level_principles_beneficial_ownership_transparency.pdf.

113. THE G20 HIGH-LEVEL PRINCIPLES ON CORRUPTION AND GROWTH (2014), *available at* https://www.g20.org/g20_priorities/g20_2014_agenda/fighting_corruption.

114. THE G20 COMPENDIUM OF GOOD PRACTICES FOR INTEGRITY IN PUBLIC PROCUREMENT (2014), *available at* https://www.g20.org/g20_priorities/g20_2014_agenda/fighting_corruption.

115. G20 FIGHTING CORRUPTION (2014), *available at* https://www.g20.org/g20_priorities/g20_2014_agenda/fighting_corruption.

116. *Id.*

brought together senior officials of corruption-investigating bodies and prosecuting authorities from over one hundred thirty countries. The meeting focused on fighting corruption—and the vast illicit outflows generated by corruption—by sharing know-how and experiences in the use of both traditional and alternative corruption-fighting approaches.

The 5th Global Focal Point Conference on Asset Recovery was held in Vienna, Austria, in September 2014. The event, organized by INTERPOL's Anti-Corruption and Financial Crimes unit and the Stolen Asset Recovery Initiative ("StAR"), brought together more than 170 anti-corruption investigators and prosecutors from seventy-nine countries to discuss operational issues related to asset recovery using examples of recent international cases to highlight challenges and possible solutions.¹¹⁷

StAR also published two new reports in 2014. *Public Wrongs, Private Actions* discusses how civil lawsuits can provide an effective complement to more commonly-used criminal approaches.¹¹⁸ *Few and Far: The Hard Facts on Stolen Asset Recovery* reports on how OECD countries are performing on asset recovery, provides recommendations and best practices, and suggests specific actions for development agencies.¹¹⁹

In June 2014, the World Bank Office of Suspension and Debarment ("OSD") released its first public report.¹²⁰ The report provides case processing and other performance metrics related to two hundred twenty-four sanctions imposed by the Bank on firms and individuals from 2007 through June 30, 2013.¹²¹

IV. Civil Society Efforts

A. TRANSPARENCY INTERNATIONAL

In 2014, Transparency International (TI) released its tenth annual report on OECD Convention enforcement.¹²² *Exporting Corruption: Progress Report 2014* uses statistics from 2010-2013 to rank forty countries according to enforcement activity: active, moderate, limited, and little or no enforcement.¹²³ Latvia was not included because it had not joined the OECD until 2014,¹²⁴ and countries that joined the Convention after 2010 had their

117. Press Release, INTERPOL, INTERPOL-StAR Conference Aims to Increase Cooperation in Asset Recovery Investigations (Sept. 11, 2014), *available at* <http://www.interpol.int/News-and-media/News/2014/N2014-167>.

118. JEAN-PIERRE BRUN, *et al.*, *Public Wrongs, Private Actions: Civil Lawsuits to Recover Stolen Assets* (2014), *available at* <http://star.worldbank.org/star/publication/public-wrongs-private-actions>.

119. LARISSA GRAY, *ET AL.*, *FEW AND FAR: THE HARD FACTS ON STOLEN ASSET RECOVERY* (2014), *available at* <http://star.worldbank.org/star/publication/few-and-far-hard-facts-stolen-asset-recovery>.

120. THE WORLD BANK OFFICE OF SUSPENSION AND DEBARMENT: REPORT ON FUNCTIONS, DATA AND LESSONS LEARNED 2007-2013 (2014), *available at* <http://web.worldbank.org/WBSITE/EXTERNAL/EXTABOUTUS/ORGANIZATION/ORGUNITS/EXTOFFEVASUS/0,,contentMDK:23584747~menuPK:9601822~pagePK:64168445~piPK:64168309~theSitePK:3601046,00.html>.

121. Press Release, The World Bank, World Bank Publishes Data and Lessons Learned on All Debarment Cases since 2007 (June 25, 2014), *available at* <http://www.worldbank.org/en/news/press-release/2014/06/25/world-bank-publishes-data-lessons-learned-debarment-cases-2007>.

122. FRITZ HEIMANN *ET AL.*, *EXPORTING CORRUPTION—PROGRESS REPORT 2014: ASSESSING ENFORCEMENT OF THE OECD CONVENTION ON COMBATING FOREIGN BRIBERY* (2014), *available at* http://files.transparency.org/content/download/1573/11296/file/2014_ExportingCorruption_OECDProgressReport_EN.pdf.

123. *Id.* at 10-11.

124. *Id.* at 4.

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requirements reduced proportionately.¹²⁵ Again this year, only the United States, Germany, the United Kingdom, and Switzerland were listed as active enforcers.¹²⁶ Canada joined last year's group of Italy, Australia, Austria, and Finland in the moderate enforcement group.¹²⁷ The other twenty-nine member countries rank in the bottom two categories.¹²⁸

In December, TI issued its 2014 Corruption Perceptions Index,¹²⁹ ranking one hundred seventy-five countries and territories using expert opinions of public corruption.¹³⁰ Denmark ranked at the top of the Index followed by New Zealand and Finland. At the bottom, Sudan ranked 173d while North Korea and Somalia tied for last.¹³¹

Among its new tools, TI released the EU Integrity Watch database of European parliament members' ("MEPs") financial interest declarations.¹³² As of July of 2014, all MEPs were required to submit financial interest declarations, including information on outside revenue, board memberships, and financial holdings.¹³³ The database provides a method of identifying MEPs with potential conflicts of interest.¹³⁴

TI's U.S. chapter released *Verification of Anti-Corruption Compliance Programs*, which covers research relating to compliance verification and consultations.¹³⁵ The report included five methods of verification: public reporting by companies, verification work carried out by accountants, lawyers, and consulting firms, certification of compliance programs, compliance reviews performed by government-mandated monitors, and certification efforts in the social and environmental areas.¹³⁶ Organizations completing an internal review were encouraged to use a risk-based approach with a focus on the company's geographic locations, business sectors, business partners, nature of transactions, and the degree to which company agents interact with public officials.¹³⁷

B. EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE

As of this year, forty-eight countries have implemented the Extractive Industries Transparency Initiative ("EITI") standards to ensure disclosure of taxes and other payments

125. *Id.* at 8-9.

126. *Id.*

127. *Id.*

128. *Id.*

129. *2014 Corruption Perceptions Index*, TRANSPARENCY INTERNATIONAL, <http://www.transparency.org/cpi2014> (last visited Mar. 10, 2015).

130. Press Release, Transparency International, Corporate Secrecy, Global Money Laundering Makes It Harder for Emerging Economies to Fight Corruption (Dec. 3, 2014), *available at* <http://www.transparency.org/cpi2014/press>.

131. *2014 Corruption Perceptions Index Results*, TRANSPARENCY INTERNATIONAL, *available at* <http://www.transparency.org/cpi2014/results> (last visited Mar. 10, 2015).

132. *About EU Integrity Watch*, TRANSPARENCY INTERNATIONAL, EU OFFICE (Nov. 10, 2014), <http://www.integritywatch.eu/about.html>.

133. *Id.*

134. *Id.*

135. FRITZ HEIMANN ET AL., *VERIFICATION OF ANTI-CORRUPTION COMPLIANCE PROGRAMS* (2014), *available at* http://www.transparency-usa.org/documents/TI-USA_2014_verificationreportfinal.pdf.

136. *Id.* at 6.

137. *Id.*

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made by oil, gas, and mining companies to governments.¹³⁸ Among the group, thirty-one are compliant with EITI requirements having disclosed \$1.3 trillion in extractive revenues this year.¹³⁹ Chad, Guatemala, Sierra Leone, Indonesia, Guinea and the Democratic Republic of Congo all became compliant in 2014.¹⁴⁰

As of 2014, EITI countries are required to produce an annual activity report as part of compliance with the EITI requirements.¹⁴¹ Each report should describe objectives achieved in the countries' work plan from the prior year.

EITI also started a pilot program on beneficial ownership, which requires disclosure of ownership of oil, gas, and mining companies in EITI implementing countries.¹⁴² The pilot program now includes eleven countries.¹⁴³

C. WORLD JUSTICE PROJECT

The World Justice Project ("WJP") released its fourth annual *Rule of Law Index* ranking ninety-nine countries and jurisdictions based on over 100,000 household and expert surveys.¹⁴⁴ The index ranks countries using forty-seven sub-factors organized into nine aggregate categories: 1) constraint on government powers; 2) absence of corruption; 3) open government; 4) fundamental rights; 5) regulatory enforcement; 7) civil justice; 8) criminal justice; and 9) informal justice.¹⁴⁵ The "absence of corruption" category considers bribery, improper influence by public or private interests, and misappropriation of public funds.¹⁴⁶ Within the category, Denmark, Norway, and Sweden took the top three spots, while Nigeria, Cameroon, and Afghanistan occupied the bottom of the rankings.¹⁴⁷

138. *EITI Fact Sheet 2014*, EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE, https://eiti.org/files/EITI_Factsheet_EN_0.pdf (last visited Mar. 10, 2015).

139. *Id.* at 1.

140. *EITI Countries*, EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE, <https://eiti.org/countries> (last visited Mar. 10, 2015).

141. *Highlighting Activities in EITI Countries*, EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE <https://eiti.org/blog/highlighting-activities-eiti-countries#> (last visited Mar. 10, 2015).

142. *Pilot Project: Beneficial Ownership*, EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE, <https://eiti.org/pilot-project-beneficial-ownership> (last visited Mar. 10, 2015).

143. Those countries are: Burkina Faso, Cameroon, the Democratic Republic of Congo, Honduras, Kyrgyz Republic, Liberia, Niger, Tajikistan, Tanzania, Togo, and Zambia. Other countries are working to accomplish similar goals outside the pilot program: Myanmar, Norway, the Philippines, Sierra Leone, and the United Kingdom. Iraq, Nigeria and Trinidad and Tobago originally signed up for the pilot, but have put it on hold.

144. WORLD JUSTICE PROJECT, WORLD JUSTICE PROJECT RULE OF LAW INDEX 2014 (2014), *available at* <http://data.worldjusticeproject.org/assets/report/wjp-rule-of-law-index-2014.pdf>.

145. *Id.* at 8.

146. *Id.* at 16.

147. *Id.* at 16-17.

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